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Daily Report

East Asia

FBIS-EAS-95-031
Wednesday
15 February 1995

Daily Report
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Japan

First Day of Auto Talks With U.S. Described

OW1502130595 Tokyo KYODO in English 1248 GMT 15 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO—Japanese and U.S. negotiators agreed Wednesday [15 February] to discuss specific measures to increase the number of Japanese dealerships carrying foreign cars, Japanese trade officials said.

At the first day's session of three-day talks between automobile experts of the Japanese and U.S. Governments held at the Ministry of International Trade and Industry, Japan proposed to conduct a joint survey with the United States to find more dealers wishing to handle foreign cars.

Japan also proposed arranging business consultations between Japanese dealers and American automakers.

Details of the proposals will be discussed during the remaining two days of bilateral trade talks on autos and auto parts, the officials said.

Concerning the U.S. Demand for deregulation of trade in replacement car parts, Japanese officials from the Transport Ministry explained measures planned by the ministry, such as easing of regulations on compulsory inspection of automobiles.

The Japanese and U.S. negotiators agreed to continue discussions to iron out differences over the issue, they said.

Aerospace Exhibit Includes FSX Mock-Up

OW1502030195 Tokyo KYODO in English 0109 GMT 15 Feb 95

[FBIS Transcribed Text] Chiba, Japan, Feb. 15 KYODO—Japan International Aerospace Exhibition '95 opened Wednesday [15 February] at a convention center in Makuhari, Chiba City, with 23 countries participating.

The five-day event features a full-scale mock up of Japan's next support fighter, code-named the FSX, together with Le-5 and Le-7 engines of the H-2 rocket and 12 aircraft and helicopters.

The exhibition is open to the public on Saturday and Sunday, while the first three days are reserved for business visitors. The entry fee is 1,500 yen for adults and 1,200 yen for junior-high school and elementary school children.

The exhibition, sponsored by the society of Japanese aerospace companies, is being held for the first time since 1991, when only nine countries took part in the event, society officials said.

SDPJ Leader Meets With Mondale on Bases

OW1502065395 Naha RYUKYU SHIMPO in Japanese 15 Feb 95 Morning Edition p 2

[Unattributed "Politics Saloon" column: "Shaking Hands on Base Issue"]

[FBIS Translated Text] The Japanese and U.S. Governments have started to officially seek a settlement of Okinawa's problems with U.S. military bases after U.S. President Bill Clinton's pledge to "work hard" to settle them. In connection with this, Social Democratic Party of Japan [SDPJ] Vice Chairman Kosuke Uehara [Representative from Okinawa] called on U.S. Ambassador Walter Mondale at the U.S. Embassy in Toranomon, Tokyo, last weekend. Uehara first met with Mondale at a party hosted by the house speaker, but he said "this is the first time I have a tete-a-tete talk with him." The meeting was also attended by former U.S. Consul General to Okinawa Lawrence Farrar, and their discussions were focused on the base issue as a matter of course.

Uehara said frankly: "The large bases on the small island inevitably cause difficulties in various areas. I used to say 'all military bases should be removed from Okinawa,' but I am not saying that to you. However, some streamlining is necessary." On that basis, Uehara called for U.S. support for settling the base problems, saying: "Okinawa is marking the 50th anniversary of the end of the war. We would like to have visible solutions of the three pending issues (including a return of he Naha Military Port)." Mondale said: "I understand your offer. Japan and the United States are working on the issue through a joint task force. We would like to comply with your expectations as much as possible." Uehara and Mondale shook hands firmly.

Referring to Okinawa's plan to unveil war memorial monuments in June, Uehara said: "The Foundation Stones for Peace monuments carry the names of Americans killed in the war. I would like you to attend the unveiling ceremony." Mondale welcomed the offer, saying "I will be happy to go there if I receive an invitation... let me take note of the schedule for the ceremony." When reporters asked his impression of the ambassador after the meeting, Uehara stated: "He is indeed a bigshot U.S. politician. He laughed when I recommended his candidacy for future presidential elections, and I had good impressions on him. He has Okinawan ceramics in his office, and it seems he has a certain understanding of Okinawan affairs."

DA Head Intends To 'Deal' With Base Issue

OW1502120395 Naha RYUKYU SHIMBUN in Japanese 15 Feb 95 Morning Edition p 2

[FBIS Translated Text] Tokyo—Tokuichiro Tamazawa, Defense Agency [DA] director general, indicated his intention to positively deal with Urasoe City's request that the U.S. military's restricted sea area be returned because it is hampering the city's west coast development project. "We want to make efforts to settle the problem," Tamazawa said in responding to a question from Seiji Nakamura (of the New Frontier Party) at the House of Representatives' Budget Committee session on 14 February.

Discussing U.S. base-related issues on Okinawa, Nakamura pointed out: "Now that the Cold War is over, we should try to settle these problems in a way that could meet changes in the international community, rather than at the convenience of the United States." He then questioned: "Can the government promise to solve the three major base-related issues such as the return of the Naha Naval Port within two or three years?"

In reply, Tamazawa stressed "the importance of cooperation from local authorities" in improving the situation. As for the three major issues, he said: "Taking local people's feelings and the 50th anniversary of war's end into consideration, we will make as many efforts as possible to settle them."

Nakamura then urged the director general to indicate a prospect for solving the issue of the restricted sea area near the Urasoe City's coast during his visit to Okinawa. In return, Noboru Hoshuyama, Defense Facilities Administration Facility director general, speaking for Tamazawa, said: "We took Urasoe City's request seriously and conveyed it to the United States. Discussion is now underway between Japan and the United States to settle the issue as part of the downsizing of U.S. bases on Okinawa. We have no intention to ignore the issue."

Official Confirms Kozyrev Eyeing 2-4 Mar Visit

OW1502101695 Tokyo KYODO in English 0940 GMT 15 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO—Japan and Russia are making diplomatic arrangements on a visit to Japan by Russian Foreign Minister Andrey Kozyrev tentatively scheduled for March 2-4, a top Foreign Ministry official said Wednesday [15 February].

Tokyo and Moscow will make a joint announcement once the date of the visit is officially set, the official said.

Japan and Russia originally agreed to have Kozyrev visit Japan in December or January but the trip was postponed due to Russia's domestic problems, including the dispute in the breakaway republic of Chechnya.

The official, who spoke on condition of anonymity, said Tokyo hopes to make progress in the longstanding territorial dispute with Russia during Kozyrev's visit.

The row involves four islands off Japan's northernmost main island of Hokkaido—Etorofu, Kunashiri, Shikotan and the Habomai islets—which the former Soviet Union seized at the end of World War II.

Kozyrev is expected to hold talks with Prime Minister Tomiichi Murayama and Foreign Minister Yohei Kono during his stay in Japan.

Establishment of KEDO Postponed Until Mar

SK1502114695 Seoul KBS-1 Radio Network in Korean 1100 GMT 15 Feb 95

[FBIS Translated Text] A Japanese Foreign Ministry official revealed on 15 February that the establishment of the Korea Energy Development Organization [KEDO] to assist North Korea in building light-water reactors, which was slated for this month, will be postponed until March.

The official said the reason the establishment of KEDO is being delayed is that it takes time to gather countries to join KEDO, and that legal procedures among the ROK, the United States, and Japan still remain. Ambassadorial-level discussions among the three countries will be held early next month.

The official added that if KEDO is established, it will be in charge of all discussions related to supplying the reactors, including the selection of the type of light-water reactor.

IFC, JEXIM, Others To Cooperate

952A0334A Tokyo NIKKEI KINYU SHIMBUN in Japanese 19 Jan 95 p 2

[FBIS Translated Text] The International Finance Corporation (IFC), an affiliate of the World Bank, has signed a business cooperation agreement with the Joint Overseas Investment Information Foundation (JOI) which is composed of 169 firms including the Export-Import Bank of Japan and private businesses. The agreement calls for the mutual exchange of investment information concerning developing nations and the conduct of joint projects such as surveys and research concerning investment target nations and regions. The IFC will use the JOI to gather information on Japanese corporate strategy concerning developing nations and intends to actively call for Japanese banks to participate in cooperative loans.

The business cooperation agreement was signed in Tokyo by IFC Executive Vice President Lindbeck [as transliterated] and JOI Chairman Wazaburo Tsuji. IFC is an international agency which provides support in the form of cooperative loans and securities underwriting services to enable the introduction of private capital from advanced industrialized nations to developing nation firms and projects. It hopes to strengthen ties with Japanese firms and encourage the flow of private capital to developing nations by cooperating with the JOI which offers political and economic information necessary for Japanese firms to loan to and directly invest in developing nations.

Of the $1.72 billion in cooperative loans approved by the IFC in 1994, European banks accommodated 70 percent, while Japanese banks share did not reach 10 percent, reflecting a conspicuous difference in posture towards such loans. Thus, according to (Special Tokyo

Representative Morinobu Iriya), the IFC hopes that Japanese banks will participate more actively in the cooperative loans.

In the past, JOI has signed business cooperation agreements with investment promotion agencies of various nations, but this is the first agreement with an international agency which encompasses the world as is the case with the IFC. According to sources at the (Business Planning Department), If information collected by the IFC is furnished to Japanese firms, such action should play a role in enhancing the awareness of IFC in Japan.

Tokyo Asked To Boost Direct Investment in Asia

OW1502133295 Tokyo KYODO in English 1222 GMT 15 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO—Asian financial officials urged Japan on Wednesday [15 February] to boost direct investment in their countries to help speed up economic growth.

The request came at a seminar sponsored by the Export-Import Bank of Japan.

Dau Ngoc Xuan, chairman of Vietnam's State Committee for Cooperation and Investment, said his country "highly appreciates the rich experience the Japanese investors have in trade and investment in the international market."

He noted that three years ago Japan was not in the top 10 countries with the largest investment in Vietnam, but that by the end of 1994, Japanese investors ranked fifth.

Xuan said that Vietnam is working consistently to attract foreign investment through its open-door policy.

Recent examples of the government's efforts are the decisions made last year to simplify foreign investment procedures and to lower rents, he said.

The country hopes that Japanese investors will support the 150 key projects in Vietnam that need foreign direct investment until the year 2000, he said.

Vietnam's economy will need about 50 billion dollars in investment of which foreign direct investment is estimated at around 20 billion dollars, the official said.

Yang Zilin, chief executive of the Bank of China's Hong Kong-Macau regional office, another guest speaker at the seminar, said there is still potential for further Japanese foreign investment in Hong Kong and China.

China will remain the focus of foreign investments in the future, and Hong Kong after 1997 should also continue to be the same since the capitalist system should thrive for at least 50 years after the territory is returned to China, he said.

The official noted that a trend among Japanese is to make investments in Hong Kong, China and Japan—one pattern being for them to enter Chinese markets through established Hong Kong companies, and through joint ventures and wholly owned firms in Hong Kong.

Such investment patterns are mutually beneficial, since they help combine Japan's technology and capital with China's huge labor force and natural resources, together with Hong Kong's management and intermediary functions, he said.

H.E. Sanyoto Sastrowardoyo, chairman of Indonesia's Investment Coordinating Board, said that more supporting industries that supply manufacturing industries with parts and materials need to be nurtured in his country.

The existence of these industries is vital for competitiveness, and it is hoped Japanese subcontractors set up subsidiaries in Indonesia, ideally forming joint ventures with local enterprises, he said.

Gordon Y.S. Wu, managing director of Hopewell Holdings Ltd., a Hong Kong property development group, said that Japanese companies have the potential to be leaders in the Asia-Pacific region thanks to their technical expertise, capital and the strong support from their domestic banks.

He noted that vital to successful investment is the tapping of urgent demand for a product and having cooperation between the public and private sectors.

Textile Group Wants MITI To Push Import Limits

OW0802123295 Tokyo KYODO in English 1027 GMT 8 Feb 95

[FBIS Transcribed Text] Osaka, Feb. 8 KYODO—A Japanese textile group may ask the Ministry of International Trade and Industry (MITI) to initiate safeguards designed to protect the domestic industry, the group head said Wednesday [8 February].

Sadao Hirose, president of the Japan Spinners Association, said at a press conference the association will push MITI around Feb. 20 to have cotton thread and other imports curbed if China does not inform Japan of its self-restraint plan on shipping products to Japan.

Japanese textile-related companies have been hard hit by an import surge due to the high yen, but MITI had asked the industry to hold back from triggering protectionist moves to give China chance to respond on its own.

The association will ask MITI for protection from imports of No. 40 count cotton thread from China, South Korea and Indonesia and imports of cotton cloth from China and Indonesia.

According to the association, imports of No. 40 thread from China rose 94.6 percent between November 1993 and October 1994 from a year earlier.

Hirose said last December the association would postpone requesting protection from MITI, but the association has apparently given up doing so as there has been little progress on the issue, industry sources said.

Kansai Paint To Form Joint Ventures in PRC

OW1502065495 Tokyo KYODO in English 0444 GMT 15 Feb 95

[FBIS Transcribed Text] Osaka, Feb. 15 KYODO—Kansai Paint Co. said Wednesday [15 February] it will establish in March two joint venture companies with Chinese paint makers in Chongqing and Hunan provinces to produce paint for automobiles.

The two companies—Chongqing Kansai Paint Co. and Hunan Kansai Automotive Coatings Co.—will start operation in July, officials of the Osaka-based leading paint producer said.

Japanese and European automakers have started manufacturing automobiles in the areas and Kansai paint decided to establish joint ventures to meet the growing demand for paint for autos there, they said.

The new company in Chongqing is capitalized at 700 million yen and the Hunan company at 600 million yen. Kansai Paint has a 45 percent equity share in each company, they said.

Mitsubishi To Produce DRAM Chips in Germany

OW1502115895 Tokyo KYODO in English 1050 GMT 15 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO—Mitsubishi Electric Corp. said Wednesday [15 February] it will launch integrated production of 16-bit Dynamic Random Access Memory (DRAM) chips in Germany for supply to the European marketplace.

The company will make equipment investment worth about 30 billion yen in its European facility, Mitsubishi Semiconductor Europe GmbH, to manufacture the microchip, it said.

The facility in Alsdorf, northeast of Aachen, established as Mitsubishi's European chip-making base in November 1989, is scheduled to start operations in the January-March quarter of 1997, Mitsubishi said.

It plans to produce 1.5 million 16-megabit and one million 4-megabit chips a month.

Mitsubishi believes steady growth is expected in the European markets, particularly for personal computers and electronic equipment for automotive use, as well as telecommunications equipment such as portable telephones and electronic exchanges.

The European semiconductor market is expected to show an average growth rate of about 20 percent for years to come.

Currently, Mitsubishi Electric is churning out a total of two million 16-megabit and five million 4-megabit semiconductors in Japan, Taiwan, the United States and Germany.

Emergency Aid to Quake-Hit Colombia Announced

OW1502122395 Tokyo KYODO in English 0943 GMT 15 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO—Japan will extend emergency disaster aid of 50,000 dollars to Colombia following the strong earthquake there last week that killed 40 people, Foreign Ministry officials said Wednesday [15 February].

The aid is in response to a request from the Colombian Government, the ministry said.

Japan offered to send an emergency relief corps immediately after the earthquake but the offer was declined by Colombia, it said.

The earthquake, measuring 6.4 on the Richter scale, hit western Colombia on Feb. 8, killing 40 people and injuring 400.

* Observers Predict Short Life for NFP

* Critics Highlight Problems

952B0094A Tokyo SHUKAN YOMIURI in Japanese 1 Jan 95 pp 34-35

[Article by Hidenori Sato]

[FBIS Translated Text] With the start of the New Frontier Party [NFP] with over 200 people, a new political map was born with a rivaly between the two big powers of the New Frontier Party and the Liberal Democratic Party [LDP]. But in the neighborhood of Nagata-cho, people have already started talking about the short life of this party.

The expressions of the New Frontier Party Diet members who line up in the State Ministers gallery around party leader Kaifu do not look good. Their faces all look somber.

Looking at this, Mr. Keigo Ouchi of the former Democratic Socialist Party [DSP], who did not participate in the Shinshinto, jeers without hesitation. "When the DSP was founded in 1960, we all were full of spirit and our faces were lit up, thinking we will change Japanese politics. We made the top headlines of the papers every day. But members of the NFP look uncertain, and it does not seem there is enthusiasm, excitement, or spirit. The mass media and the people also are cold from the beginning".

Although these remarks may be a little self-praising, it was in fact only on the day following the convention that the papers played it up on the front pages as "the birth of a power after the Liberal Democratic Party." By the weekend, there were not even related articles. I wonder if it is too cynical to say that the spectacular convention for the party founding on the 10th, which was said to cost 40 million, with the "Ninth Symphony" peformed by an orchestra and chorus and with computer graphics screens, was a "cheap performance" (Mr. Ouchi) to camouflage their insecurity.

Objection to Thinking "Numbers are Strength"

It is making this insecurity worse to have twelve members of the preparation committee for the new party secede, such as former Jiyuto [Liberal Party] Chairman Koji Kakizawa, Shizuo Sato of the same party, and Yuji Tsushima of the former Koshikai, as well as Mr. Ouchi.

Each person has his own respective reason for not participating. In the case of Mr. Ouchi it is as follows: "People who have the same fundamental policy and ideology should be united in a political party, but the NFP is scattered. Furthermore, the only organization which supports the NFP exclusively in the proportional districts is Soga Gakkai, and in the small constituency districts they are saying that "they propose people who understand the ideology of Soga Gakkai." Since everybody wants block votes, the dependency on Soga Gakkai will be deepened and the NFP is destined to become the new Soga Gakkai party."

Mr. Kakizawa, who astonished people around him by suddenly deciding not to participate on the day of the convention, made clear that he will aim for cooperation with the LDP, stating that "he would like to be a catalyst for a conservative-conservative coalition."

Mr. Sato of the same former Jiyuto says: "I cannot join the anti-LDP New Frontier Party, since we formed the Jiyuto as a new conservative party which could ally with the LDP. I did not participate in order to return to the founding spirit of the Jiyuto." According to Mr. Sato they are planning to start a new conservative party of about seven people this week, centering around the group of people who seceded, such as Mr. Kakizawa.

A reporter in the political department points out a different reason. "After all, there is resistance to the nature of the former Shinseito [Japan Renewal Party]. They made threats by saying: 'If we have block numbers, there should be something good. If you want to win the election, listen to what we are saying about redistricting as well. Or we will not take care of you at the next election.' It is resistance to such a 'numbers are power' way of doing things."

Within the NFP from which a lot of these people seceded there are many uncertain factors. The aforementioned convention had the following episode. "Honestly speaking, I was surprised to find out that the executive office did not grasp a final count of how many Diet members are participating in the party. It is unthinkable that they do not even know the basics, such as how many members are in their own party. It seemed that the children of members and secretaries were called out to the convention, and it was an exception among exceptions that they collected 1,000 each from the members who participated. Their budget also must be pretty tight" (a political situation watcher).

The executive office was placed in the former DSP headquarters, but "anyway, since it is a mixture of various parties, even the staff in the executive office does not know to whom they should be loyal. The party leader and the secretary general will seldom be at party headquarters. I think the conferences will be held in the Diet, not in the executive office. The staff's real intention is that since they think there will be a reshuffle in the political world in the near future, they do not want to have much to do with anyone" (previously mentioned political situation watcher).

If the executive office is in such a condition, I feel anxious about the future.

Breakup After General Election of Upper and Lower Houses

However, we knew such things from the beginning. But there still was a reason for those nine parties to have to stick together. No one thinks policies will be a point of contention at the next election. Everybody is interested only in whether or not one can win the election.

It is said it costs at least 100 million, including office expenses, to have one person elected in one election district. It is extremely difficult for an individual politician to collect such an amount of money. Not to mention that, since they are in an opposition party now, they cannot touch the budget compilation. This is the reason they started hoping for Mr. Ozawa as secretary-general. I think that the freshman Diet members without a base centering around the former Japan New Party [JNP] cannot help being insecure. They will probably fight in the same way as the LDP in the next election" (a political reporter).

Mr. Sato, mentioned before, says this can even be called an "Election Mutual Aid Party" which got together for the election.

Mr. Ouchi baldly predicts the future of the New Frontier Party as follows: "The New Frontier Party will present a cabinet no confidence motion in June for the honor of the new party. Since they will do best in the election when the prime minister is from their own party, the Socialist Party will accept this and the LDP will also judge this as a winning election. There is then a great possibility to have an upper and lower house election both on the same day. Then there will be a change in the combination of the new coalition. The NFP is only a transient party until the next election. I think it will be scattered in the reorganization of the political world after the election." Because it is a composite party for the purpose of the election, it will be abandoned after the election. Its life will be six months.

Mr. Sato predicts a breakup at an earlier stage. "The confrontation between the Ozawa group and the anti-Ozawa group within the party became clear after the election for the party leader. I am sure people will be leaving the party in the process of adjusting the election districts and the unified local elections in April. I would like the new conservative party which we are going to form to be a receptacle for those people."

Only the body of the NFP is large, and it has all kinds of problems with organization, personnel, and funds. If it turns out that it is the LDP which has the last laugh, then "all that was gained is lost" (Mr. Ouchi).

This time, I wonder if this will come to an end without the "Ozawa magic" demonstrating its divine power.

* Former DSP Chairman Views Party

952B0094B Tokyo SHUKAN BUNSHUN in Japanese 15 Dec 94 pp 201-203

[Article by Keigo Ouchi, former DSP Chairman: "Provoker of the Unification Clique Announces Parting"]

[FBIS Translated Text] (Just before the party founding convention of the New Frontier Party [NFP], if an important figure like the former chairman of the DSP announces his nonparticipation, the shock given to the new party would be immeasurable. It is said that there are two reasons why he decided not to participate even though it would produce such a shock. One is a fear that as it is the new party will be a "new Soga Gakkai party." And the other reason?)

At the support meeting on December 1, I announced that I would not participate in the "Shinshinto" [New Frontier Party]." Since then I have received many phone calls from supporters, but there has not been even one scolding phone call, rather they were all encouraging calls.

For some reason, popular interest in the formation of the new party is low and so is the mass media's. Thirty-five years ago, the DSP was formed by only forty-some people but everybody was enthusiastic with sparkling eyes. But I cannot feel any spirit, vigor, or energy from the "NFP" to respond to the people's expectations and hopes. Even though the name is the "newly progressing party", when looking from the people's side, it is not clear just where the new party is going to progress to.

There are two reasons why I decided not to participate in the new party. First, for the purpose of restructuring the future political world, I myself held up the principles of forming a new party, but those principles will not fit the "NFP" at all. I thought that participating in this new-new party would betray people who have supported me as a politician and as the chairman of the party. The first principle is to agree with the political ideology. The second is that complete agreement on basic policy is necessary. The third is that general agreement on important policies is necessary even though complete agreement may be difficult. Furthermore, the fourth is a unified party constitution. I have consistently insisted on these principles.

The reason I strongly objected to the proposal for the big clique concept "reform," which was set out during the Hosokawa government this January, is that it was against these principles. The source for this was the "Ichi-Ichi line" [from the names of the politicians Ichiro Ozawa and Yuichi Ichikawa], but forming a clique by uniting without principles is not favorable. That is why I, in cooperation with the Socialist Party and Sakigake [Harbinger], crushed the "reform."

The Hata government began, and the "Kaishin (Renovation)," which I proposed, was formed on April 25, but this movement was also based on the above principles. The real intention of the proposal for the "Kaishin" was to form a new clique with four parties, the then Japan New Party, the DSP, Sakigake, and the Shinseito [Japan Renewal Party], that is, leaving out the Socialist Party and Komeito.

The Socialist Party then had not changed its basic policy, and it was unreasonable for us to unite with it, and Komeito had a considerably different constitution from ordinary political parties, as it is said that it is a religious political party. It was a time when the unifying of politics and religion was strictly questioned in the Diet, and it was judged that it was not possible to unite with the Komeito.

However, the new-new party this time is a movement for forming a new party by uniting the Shinseito and the Komeito. Against such a movement I cannot close my eyes.

The second reason is that internally the "NFP" is completely fragmented. For example, even before forming a new-new party they are trying to secure their own territory through such things as participation by dividing into two levels, like the Komeito, or participation by forming a separate organization, or furthermore by forming a policy group. I think that securing their own voice, rights, and interests while forming a new party is a wrong course.

It is not possible to form a party unless one has a frame of mind and the attitude to devote oneself in the new party by offering everything one has. However, the new-new party is being formed only because they think "they will not be able to beat the LDP and the Social Democratic Party of Japan government in the election unless they form a new party, even if it is a combined party." Such an organization will surely have discord. In fact, the selection of the party leader and the secretary-general was an omen of this. This is not a situation in which the people can have expectations and hopes for the new party.

Direct Explanation to Mr. Ozawa

Before announcing my nonparticipation, I met Mr. Ozawa and explained directly to him. I said: "The new party this time is a mongrel family, only making discordance and thinking only of itself. You will have to bring yourself down to a lower level in order to consolidate the new party. But on the contrary, stronger leadership is demanded of the new party, and if such a condition continues, the new-new party will not be a strong one."

Mr. Ozawa said with an earnest expression, "I myself want to give it up. I really hate this." This must be Mr. Ozawa's real intention.

There is even a movement within the new party to eliminate Mr. Ozawa. Since I myself am also a politician, I can understand very well how badly a politician would feel when such a thing is said and how Mr. Ozawa feels. By settling these things, he is trying to start the new-new party. However, the formation of such a new party will sooner or later result in an explosion. This is the dynamics of politics.

In other words, rather than saying the "NFP" is internally fragmented, there is rather a crack within each party which forms its backbone. Under such circumstances, how can a vigourous party be formed, which can respond to the people's expectations? The fact that vitality cannot be seen on the faces of the participants in the new party is evidence that they are filled with the mood of merely yielding to the powerful, thinking "there is no choice."

So, ideology and platforms are nothing more than the product of compromise, and even people in the LDP would say that the contents are "very nice," and under such circumstances it will not be possible to eclipse the LDP and the Socialist Party. At the starting point, this is nothing more than forming a new party by bitter enemies getting in the same boat to combine their numbers.

Looking at the political condition, as far as I know, the "Ichi-Ichi line" is still alive. One basis of their power is that they have a considerable amount of leadership in adjusting candidates in small election districts. Mr. Ozawa has a considerable amount of influence in picking up good people and eliminating bad people since he has experience. The other is that under the new system a little over 8 billion from a 30.9 billion subsidy for political parties is supposed to be provided to the new party. If a party of 180 people run in an election, a minimum of 10 billion will be required as expenses for the election. Furthermore, about 10 billion will be necessary for managing the party. Only Mr. Ozawa can manage such financial aspects. This may be only a myth, but this is enough to have a great influence on the participants.

On the other hand, the influence of the other "Ichi" (Yuichi Ichikawa, secretary-general of Komei New Party) is, needless to say, the organization which Soga Gakkai has. Its power of collecting votes, which is said to be over 8 million households, is tremendous. In the last upper house by-election for Aichi Prefecture, the new-new party side won by the large margin of 380 thousand votes, but the definite cause of victory was the votes from Soga Gakkai.

The Komeito collected 6.41 million votes in the proportional representation system in the upper house election in July 1992, and a total of 5.26 million votes in the general election last year. Except for this giant vote-collecting organization, there is not any other big organization which supports the new-new party. The eight million "coalition" also has not decided as an organization to support the new-new party, and there are not any industrial organizations which support the new-new party exclusively.

Also, this organization which holds 6 million votes says that it will recommend people in three hundred election districts on the basis of understanding the ideology of Soga Gakkai. Diet members want block organized votes even if they are only a hundred or a thousand votes. Then, all the members will pay a daily visit and pay respect to Soga Gakkai. What does "show understanding" concretely mean?

A powerful politician says he was asked by Soga Gakkai to "make his wife and children join." In other words, whether in the proportional districts or the individual election districts, there is no other way except for pledging loyalty to Soga Gakkai. As long as there is not any other big support organization, the new-new party cannot avoid being called the "Soga Gakkai new party." I cannot help doubting if this is all right for the prosperity of Japanese democratic politics.

Only One Difference With the Administration

Thinking about the condition of the election districts, some people point out that I decided not to participate, but this is a very despicable idea. If a politician who has experienced at being a party leader and cabinet minister acts only thinking about his own election, he is not qualified as a leader. In fact, if I participated in the NFP, I would have gone to the proportional district at the level of a leader and would not have had to worry about the election. Also, when I made the decision this time, I never consulted with the support group which was backing me, the Risshokoseikai, or those close to the DSP. I made the decision for the reason that I have responsibility to the end for what I have said as a politician.

In other words, the only difference in route between the current DSP (to be dissolved on January 30) leadership and me is whether or not to unite with the Komeito. Especially in the case of Chairman Takashi Yonizawa, his having won in elections seven times greatly depended on Soga Gakkai, and it is very disappointing that he had to give consideration to other parties' interests because of this.

When I was the chairman, without regard to particular organizational interests I made judgements thinking only of the DSP's position. Since the principle of "not to unite with parties of a different character," has been broken, I cannot participate in the new-new party. Some people in the party criticize me saying that "it is against the party decision," but the DSP has never decided at the party council on the idea of a new party with the Komeito. Furthermore, which party to belong to is a constitutionally guranteed freedom which concerns the politician's beliefs and principles, and no one is allowed to impede this. Punishing one for not participating is something which a totalitarian party would do. I estimate that, if things go well, among the 100,000 party members throughout the country, at the most 30 to 50 percent will participate in the new-new party.

I hear that because of the announcement that I will not participate, pressure within the new-new party became tighter, but such a movement is temporary, and, from here on, there will be various strife in the party centering around the coordination of candidates and personnel.

The "NFP" will not be crushed by external power, but it will be broken from inside if dissenting opinions occur within the party. At the next election, our comrades will die in battle one after another. Then my attitude will begin to be understood.

Hashimoto Urges Dicussion on Investment, Loan

OW1402060095 Tokyo KYODO in English 0511 GMT 14 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO—Minister of International Trade and Industry Ryutaro Hashimoto reiterated his view Tuesday [14 February] that the government should discuss how best to implement the fiscal investment and loans program when considering the reform of public financial institutions.

"We should first define what kind of role the investment and loans program plays. Once that is clear, we will know what position the public financial institutions should assume," he said at a news conference after a morning cabinet meeting.

Hashimoto made the remarks in reference to the government's ongoing efforts to abolish or integrate government-controlled financial institutions as part of sweeping administrative reform.

JETRO, IDE Heads on Budgets, Group Merger

OW1502122495 Tokyo KYODO in English 0946 GMT 15 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO—The chiefs of the Japan External Trade Organization (Jetro) and the Institute of Developing Economies (IDE) said Wednesday [15 February] they have no plans to scale back their budgets and the scope of duties after their merger.

Jetro chairman Toru Toyoshima and Katsuhisa Yamada, president of the IDE, told a joint news conference the scope of the respective institutions' work and responsibilities will not change, although they are ready to cooperate with a government plan to boost the efficiency of such special corporations.

Speaking at Jetro headquarters, Yamada said, "the merger will not affect the plan to move" the Tokyo headquarters of his research institute to Chiba Prefecture, where it had planned to construct a new building with government financial aid.

He said his institute will not scrap or scale back its original program envisioning government budget aid of up to 3 billion yen to construct the new building, starting in fiscal 1996.

Toyoshima said Jetro will seek to benefit from the merger by expediting economic exchanges with Asian developing nations on the strength of the research results of the IDE.

Economic Consequences of Earthquake Noted

OW1502050795 Tokyo EKONOMISUTO in Japanese 7 Feb 95 pp 26-30

[Article by Masakazu Uchino; "dialogue" between Masaru Takagi, Fuji Research Institute consultant and chief researcher, and Hiroshi Takeuchi, director of the Long-Term Credit Bank Research Institute, moderated by EKONOMISUTO editor-in-chief Nobuhiro Sudo: "Unsuccessful Economic Crisis Management Will Produce Cracks in Financial System"; place and date not given]

[FBIS Translated Text] **Illusion of Perfectionism**

[Sudo] What do you think about the scope of the [Hanshin earthquake] disaster?

[Takagi] It has provided us with a number of lessons. Initially, we and the government underestimated the entire situation, including the unclear chain of command, when to mobilize, how many Self-Defense Forces members should be mobilized, and so on. And also, why could they not have prevented the fire from spreading so much? I cannot help but think that it was too outdated an approach to simply wait for the fire to burn itself out.

When the Northridge earthquake occurred in Los Angeles exactly one year ago, informed Japanese said that U.S. highways lacked the strength to withstand earthquakes and that the Japanese ones were far superior in their ability to withstand an earthquake. But it turned out that Japan, too, had rather fragile structures. We must think seriously about how we should appropriately manage crises.

[Takeuchi] About 20 years ago when I was visiting Kalimantan (the former Borneo), I encountered a fire. On that occasion, there were too many spectators for the fire engines to get to the scene. The spectators were finally removed, and the fire engines came close enough. But then they became too impatient and were unable to connect the hoses. They finally connected the hoses, but there was no one who knew where the fire hydrant was. They made telephone calls and found out where the hydrant was, but the water pressure was too low, so they could not spray water. I thought that such things happened because that was a developing country, but the same sort of thing happened this time in Kobe.

I feel that the high level of postwar growth was possible only because of the absence of earthquakes. In 1936, a year after I was born, there was a big earthquake in Izu, and this was followed by a big direct-epicenter earthquake in the Shizuoka region in 1935. At that time, Torahiko Terada went to see the scene in Shimizu-city and wrote the famous book NATURAL DISASTER AND NATIONAL DEFENSE in which he noted that natural disasters occur at times when people have forgotten about the likelihood of their occurring and that the [existence of] civilization increases the damage from a disaster. For 50 years after the war, however, it happens that there have been no extremely severe earthquakes. At the same time, we have come to have the illusion that as a result of [modern] civilization, we can build structures which would never collapse during earthquakes.

If you just think about it, however much we might try [to make it strong], a structure could still collapse. How do you minimize damage when a structure has collapsed? That had been the traditional thinking in Japan, and Torahiko Terada also advocated that way of thinking. But, because there had been no [major] earthquakes for 50 years, we had an illusion. Now, an earthquake era has arrived. I have a premonition that it will be exactly the same situation as in my childhood [when frequent major earthquakes struck Japan one after another].

[Sudo] Do you mean that the current crisis-management structure is not sufficient [to deal with such a situation]?

[Takagi] Even allowing for the difference in population, the Northridge earthquake caused only 61 deaths and a little over 900 injuries. The chain of command remained in place without confusion. That kept casualties to minimum.

[Takeuchi] For U.S. auto parts and so on, the ratio of faulty products is higher than that of Japan. Probably 10 percent are faulty goods. It is zero in Japan. Thus, when we complain to the Americans that 10 percent is no good, they bring 110 items for a promised delivery of 100. That will make up for it, they say. We thought that was a shortcoming of the United States, but in fact, that may have been a strength. In other words, they work from the premise that things might go wrong. In Japan, it is the reverse; the premise is that things will never go wrong. So, when things don't work, we cannot respond. I wonder if [Japan's belief in] perfectionism was wrong and that [what Japan thought was perfect] might have been an illusion.

[Sudo] On 23 January 1995, stock prices on average went down over 1,000 yen. What do you think about the damage that the Japanese economy suffered [as a result of the earthquake]?

[Takeuchi] It is reported that about half of the total of Kobe's industrial production for shipment was damaged. But that will be restored within two to three months. The effect on the distribution sector, however, is serious. The freeways have fallen. Kobe port is not usable. It will take over a year before those will be restored for use. If the goods do not move, and even if production resumes, it won't do any good.

[Takagi] As for the short-term effect, my somewhat prudent estimate is that for a minimum of six months, and one year in some cases, [the earthquake] will negatively affect [the Japanese economy] as a whole.

Already demand is appearing in terms of a recovery, such as the construction of temporary housing and so on, but the production function was damaged substantially. It is especially noteworthy that the Hanshin region is the second main industrial region after the Kanto region. Also, as for type of industries, heavy industries such as steel, electricity, beer, textiles, and other production bases are concentrated there. The effect of receiving a blow in such a region is great.

[Takagi continues] Also, I am concerned about the effect on the distribution of goods. The Hanshin Freeway, the artery, is not usable. There are alternate sea and air routes, or the Chugoku route, but they will become bottlenecks. Also, one must consider consumption. Electric power has finally been restored, but gas and water supplies have not been completely restored. These themselves will cause a reduction in consumption. At the same time, sales for supermarkets and department stores in the damaged areas might fall drastically. It is conceivable that in other regions, a dark mood will affect consumers and cause a drop in individual consumption throughout Japan.

Another element is the impact on the trade area. The Kobe Port has handled over 10 percent of the total amount of Japanese trade. That will be out of commission for a minimum of six months, or for over one year, depending on the situation.

Such loss in production, distribution, consumption, and trade areas, will cause a fall in the growth rate by 0.3-0.5 percent a year. But this will not become a factor interfering with the recovering economic conditions, nor will it cause the economy to bottom out. Besides, after next year, the merits which will derive from the demands of recovery will become large and affect economic conditions positively.

Financial Crisis Management

[Sudo] What about the effects on the financial area?

[Takeuchi] Our generation remembers earthquake-related promissory notes at the time of the Great Kanto Earthquake. At that time, not just bad debts in general, but bad debts resulting from the so-called post First World War bubble economy were called in, and this ultimately led to a financial panic. At present, when people such as factory operators whose plants were damaged are suffering, if the Bank of Japan were to lend money for the rebuilding of financial organizations and the government were to ultimately guarantee that loan, it is conceivable that some people might voice strong opposition to such measures.

The government failed in crisis management during the early stages after the earthquake. Now, effective crisis management of the economy is expected.

[Sudo] In concrete terms?

[Takeuchi] As for discounting earthquake notes, it is actually very difficult to determine whether the loss was caused by the earthquake or not. There will be no choice but to interpret things liberally. It will also be necessary to issue national bonds. Unless we are ready to make a fiscal outlay of 2 trillion yen, it will not be effective crisis management.

[Takagi] We must increase the issuance of national bonds in order to obtain funds for temporary emergency measures as well as for full scale recovery. Naturally, this will increase that of regional bonds. Further, we should establish special measures in the tax system. If we give any further special consideration, all sorts of abuses will arise later on. We should be able to cope fully with the situation, utilizing steps such as special financing at low interest rates by public financial organizations.

[Takeuchi] We must also announce city planning for the damaged areas.

[Takagi] Immediately. That response is also coming slowly. The problem of claims and title relationships is serious. For instance, if someone purchased and lived in a condominium, that person had been living there with a mortgage. So when the condominium was suddenly destroyed by the earthquake, only the mortgage remained. If he wants to rebuild, he will need the agreement of the other tenants. He can not very well add an additional loan. So, in the first place, will he have the money to build? It is easy to talk about reconstruction, but how long will it take?

[Takeuchi] To carry out reconstruction, it is obviously necessary to provide various special measures at the national government level. But considering Japan's total economic strength, I think that the country should be able to bear that much of a burden.

Reexamine the Insurance System

[Sudo] Mr. Takagi, what is your feeling about earthquake promissory notes?

[Takagi] Authorizing earthquake promissory notes is an emergency measure to offset losses caused by a natural disaster. But in reality, it is nothing but the shouldering of bad debt by extending Bank of Japan credit. The banks today are stronger compared to the time of the Great Kanto Earthquake period, and we should not consider such a thing as earthquake notes. Rather, I feel that expansion and strengthening of the insurance system, such as earthquake insurance, will be necessary.

[Takeuchi] This time, the people who on their television screens witnessed disastrous scenes such as collapsed houses will undoubtedly consider seriously whether 10 million yen in insurance would enable the rebuilding of their own homes. Discussions will take place concerning this issue.

[Takagi] It is true that 10 million yen would not be enough to build a house and that insurance is also high. Since Japan cannot dissociate itself from earthquakes, it is necessary to review and reform the current system.

[Sudo] Is a revision necessary for the economic forecast made public by private sector think tanks and the government?

[Takeuchi] The growth rate for 1994 will drop about 0.6-0.7 percent. The growth rate for 1995 projected by the private sector was about two percent, but could rise to 2.8 percent as projected by the government because of reconstruction-generated demand. But I would think that the demand for new consumer goods such as wide-screen televisions, portable telephones, and so on, which has been supporting the economy will not decline. In addition, inexpensive personal computers, automobiles, and so on, for which the replacement time is almost approaching, and recreational vehicles are acting as an engine for consumer goods.

However, there is a possibility that more and more businesses will move their plants overseas, giving up on Japan, because factories were destroyed by the recent earthquake and also because efficiency in Japan is bad when possible future earthquakes are taken into account. When viewed over the long term, I have a feeling that Japanese growth will go down.

[Takagi] For a while, the growth rate will fall by 0.3-0.5 percent. But it will not seriously harm the recovery trend as a whole.

What I fear is that the securities market is reacting a little too excessively. In particular, foreign investors are selling. If the selling intensifies further, stock prices will exert all sorts of influence. Another thing is the long-term interest rate. In addition to the fact that the supply and demand of securities is not good to begin with, regardless of that fact, more and more national bonds and municipal and prefectural bonds will be issued. The question is whether this will cause a further worsening of supply and demand and cause interest rates to go up. If interest rates go up, this will be bad for economic conditions. Moreover, it could even trigger an inflationary trend for some sectors or goods.

[Takeuchi] When we think about all that, we want to have the assurance that there will be no financial uncertainty.

[Takagi] One other thing. I am also worried about mortgage values going down. When a factory is damaged, its value will go down. When the price of securities goes down, the value of mortgages will go down as well. There is also a danger of bank lending itself becoming even worse. When an earthquake results in the suspension of business operations and leads to bankruptcy, more bad assets will result. We need to note this point.

[Sudo] The interest rate trend is worrisome.

[Takeuchi] For the present, there is an increasing supply of money, so the short-term interest rate will go down, and the long-term interest will go up.

[Takagi] The Bank of Japan can not directly control the long-term interest rate. It will increase the fluidity of money through short-term financial controls and will try to influence the long-term interest rate as a result. In addition to the weak recovery of the economy, the earthquake effect is added. An interest rate hike which does not suit actual conditions should be prevented.

[Sudo] You mentioned that we must be careful about inflationary trends, but will there be a change in the deflationary undercurrent?

[Takagi] The present economic recovery is under way, while the breakdown of the high price structure is in progress; the deflationary undercurrent will not change. It is, however, conceivable that the price of goods could go up because of spot shortages, temporary shortages, or the unavailability of goods.

Danger of the Collapse of the National Capital

[Sudo] If the possibility of earthquake is also high in the Kanto Region, should we be considering relocation of the capital? What should the capital be prepared for?

[Takeuchi] We absolutely should relocate the capital. We should either set up a "section" far away from here which will take charge in time of emergency or disperse such functions. In time of emergency, the [current] chain of command would not function. Something has to be done. However detailed the administrative system which is set up, if it is physically not usable, it has no meaning.

[Takagi] I do not particularly want to think about it, but if a great earthquake were to hit present-day Tokyo, the damage would be many times greater than that of Kobe, even if it were of the same intensity during the same time of day. As Mr. Takeuchi said, we need to make the Japanese economy more or less regionally homogeneous—or, shall I say, decentralize it. In other words, to spread the risks, we should disperse political, economic and other functions, not keeping everything in Tokyo.

The damage caused by the Great Kanto Earthquake would exceed 100 trillion yen at today's value, according to some test calculations. If such damage were actually to occur today, I feel it would mean the end of the Japanese economy in an instant. We call Japan an economic power, but in reality, Japan is very fragile. It could collapse all at once.

[Takeuchi] Chinese national enterprises are not only entities which concern direct production. They are also equipped with nursery schools, schools, hospitals, dining halls, and transportation for the employees. They are self-sufficient even if they become totally isolated. Japan may need a system in which the economy can sustain itself in individual units—for instance, a federal system.

[Sudo] Japan has been utilizing a "just-in-time" delivery system rather than that kind of system.

[Takagi] Is the pursuit of economic efficiency all we need to think about? The incident this time taught us the answer. I think we should review the "just-in-time" approach.

[Takeuchi] It is all right for the economy to pursue "just-in-time." But the individual's life should not be controlled by that. If the individual's life depends on economic efficiency, the ability to cope with disasters will be lost. One is more disaster-resistant when he sleeps on a tatami mat and has his clothing beside the pillow than when he is in a heated room, sleeps on a bed, and has his clothing hanging somewhere away from himself. It is necessary to have several days' stock of food and water.

[Sudo] It may be that we are essentially forced to review the economy and the life of the individual, even at the expense of the economy.

[Takeuchi] It is only possible to think that we luckily have not had any significant earthquakes during the post-war high-growth period.

[Sudo] As for the enterprises' crisis management, what preparations should be made?

[Takeuchi] The enterprises have prepared a reasonably good system, stocking items such as crackers, and perfecting their communication networks. The problem, rather, is that the enterprises have come to take charge of crisis management. If one does not belong to an enterprise, one will be in trouble. In the past, funerals were managed by neighbors, but now they are conducted by the general affairs section of a corporation. Similarly, when a disaster occurs, the local community should band together, but instead the community is divided by enterprises. It is not the case that the power of enterprises caused the disintegration of the community. Rather, it has accelerated the community's disintegration and created communities which have become weaker overall in dealing with disasters.

[Takagi] As for the financial organizations, this time, the computers were down, and stores were physically not able to operate from the outset. Bank staffs were also absent. There was a blank period that lasted for a week. During that period, financial services were halted. We need to thoroughly develop a back-up system. I think that the time has come to reexamine the crisis management of financial organizations during a time of disaster.

[Sudo] My last question: What do you want the government to do?

[Takagi] The government should promptly create a supplemental budget for emergency measures. It should also create a blueprint for reconstruction.

[Takeuchi] The reconstruction of the Hanshin economy involves, above all, the port, roads and railroads, and finance. We must get started immediately.

MITI Reports Upturn in Industrial Output

OW1502101895 Tokyo KYODO in English 0955 GMT 15 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO—Japan's industrial production in 1994 saw its first increase in three years with a 0.9 percent year-on-year rise, the Ministry of International Trade and Industry (MITI) said in a revised report Wednesday [15 February].

The seasonally adjusted production index for the mining and manufacturing sector came to 92.0 against the base of 100 for 1990, the ministry said.

The shipment index came to 93.8, up 1.2 percent over a year before, the ministry said. The figure also represented the first rise in three years.

An official of MITI's statistics and analysis division, the section which released the data, said the figures indicate that "production is following a course of moderate recovery."

Meanwhile, the report said the index for December inched down 0.4 percent from the previous month to 94.7, the first drop in two months.

The month's shipment index remained flat at 96.9, it said.

The figures for December were revised upward from those in a preliminary report released by MITI about two weeks ago.

On the inventory front, the index, at 102.3 in December, slid 0.6 percent from the previous month, MITI said.

The inventory index for the whole of 1994 fell 4.8 percent from the year before to 101.9, it added.

Large-Scale Farmers To Cut Rice Production

OW1302092795 Tokyo KYODO in English 0711 GMT 13 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 13 KYODO—A group of large-scale farmers has reversed its position and agreed to scale back rice production from 1995 to deal with the enactment of a new Food Control Law, farm sources said Monday [13 February].

The group had campaigned for abolition of government-led rice production cutback programs, saying they could hinder the promotion of large-scale rice farming.

But it has changed its position, believing rice prices should be stabilized through limited production, the sources said.

The group comprises about 2,200 rice farmers, mostly with farming areas of more than 10 hectares.

The new Food Control Law, which has abolished the system of uniform rice production cutbacks for Japanese farmers, lets them decide whether to take part in the scaleback program.

Panel Proposes New Gasoline Standards

OW1502121995 Tokyo KYODO in English 1012 GMT 15 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO—An advisory panel to the Environment Agency on Wednesday [15 February] proposed setting new standards for air pollutants in car fuel in preparation for the liberalization of gasoline imports from April next year.

The revision of the law on air pollutants is considered necessary to avert an adverse effect of an open gasoline market on the environment since the share of gasoline and crude oil varieties that are high in lead and sulfur content is expected to rise, officials said.

In its proposals to Environment Agency chief Sohei Miyashita, the Central Environment Council recommends setting a ceiling for all harmful substances contained in car fuels.

It also called for effective controls to ensure standards are being honored. In addition, the revised law should contain a clause that obliges car owners to keep car exhaust to a minimum, the council said.

The cabinet is expected to submit a relevant bill to the Diet after endorsing the proposed revision next Tuesday, the officials said. The Ministry of International Trade and Industry will table a bill the same day providing for the necessary checks of gasoline and oil contents.

The government does not plan to tighten existing regulations already set for fuels currently marketed in Japan.

Experts expect the new laws will require imported gasoline to be lead-free and contain a maximum 0.01 percent sulfur and 5 percent benzene, whereas gas oil standards will allow a 0.2 percent sulfur content.

Hitachi Develops High-Speed 1-Gigabit DRAM

OW1502024895 Tokyo KYODO in English 0212 GMT 15 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO—Hitachi Ltd. has developed a high-speed, low-voltage 1-gigabit dynamic random access memory (DRAM) semiconductor, company officials said Wednesday [15 February].

Japan's leading high-tech company said the experimental 1-gigabit DRAM chip uses 0.16-micrometer fine-patterning complementary metal oxide semiconductor (CMOS) process technology.

On Monday, NEC Corp. said it has developed the world's first 1-gigabit DRAM.

Hitachi's DRAM integrates 2.3 billion electronic elements in an area of 715 square millimeters. The DRAM, which operates at only 1.5 volts, has an access time of 33 nanoseconds and a cycle time of 4.5 nanoseconds, company officials said.

DRAMS are highly integrated semiconductor memory devices widely used as the main memory in mainframe computers, personal computers and workstations.

Hitachi said the 1-gigabit DRAM chip can store about three months' worth of Japanese-language newspaper articles, 70 minutes of compact disc playing time, one minute of video image data for television or 40 frames of high-definition images.

The new chip should play an important role in multimedia devices which generally need to process vast amounts of such data as text, graphics, audiovisual information and animated pictures, they said.

North Korea

Arrival of U.S. Business Delegation Reported

SK1502044795 Pyongyang KCNA in English 0438 GMT 15 Feb 95

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—A delegation of U.S. businessmen jointly headed by President of the General Motors Asian and Pacific Operations (PTE) Ltd. T.S. McDaniel and Vice-president of the Admiral Zumwalt Consultants, Inc. James Zumwalt arrived here on Tuesday.

Foreign Officials Urge Abolition of ROK NSL

SK1402232495 Pyongyang KCNA in English 2151 GMT 14 Feb 95

["Abolition of 'NSL' Urged Abroad"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—Co- leader of the Working People's Alliance of Guyana Rupert Roopnarine and Secretary General of the Centre of Indian Trade Unions M.K. Pandey strongly urged the abolition of "the National Security Law" (NSL) in South Korea.

In a solidarity letter to the Standing Committee of the Supreme People's Assembly of the Democratic People's Republic of Korea, Rupert Roopnarine said the adoption of the framework agreement between the DPRK and the United States means that the bilateral relations between the two countries have entered a new, progressive stage.

"Under this situation, the South Korean authorities must immediately pull down the concrete wall built in the area south of the Military Demarcation Line, which is an obstacle to genuine reconciliation, and abolish the notorious "NSL" which tramples down the dignity and freedom of people, so as to contribute to laying foundations of national reconciliation and unity this year, 50 years after the division of Korea," he said.

In a statement released on February 2, M.K. Pandey said: "Such a most horrible fascist law as the 'NSL' still exists in South Korea. This shows that the Kim Yong-sam's is the most fascist regime."

He urged the South Korean fascist clique to promptly scrap the "NSL" which bans the righteous reunification movement and pull down the concrete wall without delay.

Japanese Politician Eiichi Apologizes for Remarks

SK1502051395 Pyongyang KCNA in English 0440 GMT 15 Feb 95

[FBIS Transcribed Text] Tokyo February 13 (KNS-KCNA) [dateline as received]—Eiichi Nakamura, member of the House of Councillors of Japan who made national chauvinistic remarks as regards the great Hanshin earthquake called at the Korean Hall in Tokyo on February 10 and made an official apology and submitted a letter of apology according to the strong protest of the General Association of Korean Residents in Japan (Chongnyon) and Koreans in Japan.

The letter of apology said:

"I am wholly to blame for my reckless utterances which gave trouble to Chongnyon and Koreans in Japan, particularly, to the Korean quake victims in Hyogo prefecture and aroused uneasiness and resentment from them, and sincerely apologize with deep remorse."

Eiichi Nakamura said that he would personally go to the afflicted Hyogo and Osaka prefectural headquarters of Chongnyon and the Korean victims in Japan to make an apology.

Japanese Chongnyon Official Arrives in Pyongyang

SK1502003795 Pyongyang KCNA in English 2243 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—Ho Chong-man, chief vice-chairman of the

Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), and his party arrived in Pyongyang today.

They were met at the airport by Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea.

Visits Kim Il-song's Statue

SK1502052995 Pyongyang KCNA in English 0452 GMT 15 Feb 95

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—Ho Chong-man, chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), and his party on February 14, called at the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang, laid bouquets before it and made a bow with deep respect.

Chongnyon Statements Urge Reunification Festival

SK1302151295 Pyongyang KCNA in English 1506 GMT 13 Feb 95

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA)—Officials of organisations under the General Association of Korean Residents in Japan (Chongnyon) made public press statements supporting the appeal of the joint meeting of the political parties and public organisation of the DPRK on February 7, according to a KNS report from Tokyo.

Chairman of the League of Korean Youth in Japan Pak Ku-ho said that the league would take the lead in a nationwide struggle to successfully hold the August 15 Grand Festival for Reunification and Grand National Conference by strengthening solidarity with all youth and students in the North, the South and overseas and abolish the "National Security Law" hostile to the fellow countrymen and blocking the great unity of the nation and the road of reunification.

Chairperson of the Democratic Union of Korean Women in Japan Kim Il-sun said that the Korean women in Japan expressed the belief that South Korean people from all walks of life and overseas compatriots will unite under the banner of great national unity and dynamically turn out for the Grand National Festival for Reunification celebrating the 50th anniversary of the liberation of the country.

Japanese Group Visits Friendship Exhibition

SK1302062695 Pyongyang KCNA in English 0517 GMT 13 Feb 95

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA)—The delegation of the New Japan Professional Wrestling Co., Ltd. headed by Kanji Inoki, leader of the Sports Peace Party of Japan, member of the House of Councillors and president of the company, visited the International Friendship Exhibition on February 11.

After visiting the exhibition, the head of the delegation said:

"Through the International Friendship Exhibition I have realised better that the great leader President Kim Il-song and His Excellency Kim Chong-il are, indeed, the great teachers of the world people.

"These valuable gifts from different countries show well how deeply the world people are respecting them. Here I have realised once again the greatness of the great president and His Excellency Kim Chong-il." The delegation visited the May Day Stadium, the Mansudae Art Studio, the Korean Film Studio and other places and saw the exercise for a mass gymnastic display at the Pyongyang indoor stadium.

Hwang Chang-yop Meets Liaoning University Group

SK1502004695 Pyongyang KCNA in English 2241 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, met and had a friendly talk with Feng Yuzhong, president of Liaoning University of China, and his party on Feb. 14.

The president of the university said he was glad to visit Pyongyang and have the honor of participating in the celebrations of the birthday of Comrade Kim Chong-il. He wholeheartedly wished Comrade Kim Chong-il a long life in good health on his birthday.

Earlier, the president presented a floral basket to the great leader Comrade Kim Chong-il on his birthday.

Economic Delegation Returns From Thailand

SK1502073095 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 12 Feb 95

[FBIS Translated Text] The government economic delegation of our country led by Yi Song-tae, chairman of the External Economy Commission, which was in Thailand, returned home on 11 February by airplane.

The delegation was met at the airport by Cho Won-yong, vice chairman of the Commission.

Thai Liberal Righteous Party Delegation Arrives

SK1502004195 Pyongyang KCNA in English 2247 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—A delegation of the Thai Liberal Righteous Party headed by its leader Arthit Urairat arrived here today.

It was met at the airport by Secretary Hwang Chang-yop of the Central Committee of the Workers' Party of Korea.

Hwang Chang-yop Hosts Reception

SK1502055195 Pyongyang KCNA in English 0448 GMT 15 Feb 95

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] on Tuesday gave a reception on the visit by the delegation of the Thai Liberal Righteous Party headed by its leader, Athit Urairat.

Addressing the reception, secretary of the WPK Central Committee Hwang Chang-yop said the WPK is approaching the rightous activities of the Thai Liberal Righteous Party with deep interest and wished the party a bigger stride forward in accomplishing the cause for the prosperity and development of the country and the promotion of people's interests.

It is natural to establish relations between the two parties and frequently travel. And I consider that it will fully conform to the common cause of the people in the region for an independent, peeceful and prosperous new Asia," he said, adding: "Our party will, in the future, actively strive to develop the relations of friendship and cooperation between the two parties, the two countries and the two peoples."

Urairat, head of the Thai party delegation, said that they visited the Democratic People's Republic of Korea to congratulate His Excellency Kim Chong-il, the dear leader of the Korean people, on his birthday.

He noted the Thai people highly praise the great achievements made by the Korean people on the ruins of war in a short span of time.

"His Excellency the Dear Leader Kim Chong-il is possessed of distinguished leadership ability," he stressed, saying: "Although the great [words indistinct] Kim Il-song passed away, the future of Korea is bright as long as there is His Excellency Dear Kim Chong-il."

WPK, Jordanian Party Delegations Hold Talks

SK1302154195 Pyongyang KCNA in English 1534 GMT 13 Feb 95

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA)—Talks were held between delegations of the Workers' Party of Korea [WPK] and the People's Unity Party (Unionist) of Jordan here today.

Present there on the Korean side were Secretary Hwang Chang-yop and vice-director of a department Choe Chin-su of the WPK Central Committee and other officials and on the opposite side, was the delegation of the People's Unity Party (Unionist) led by Talal al-Ramahi.

At the talks the sides informed each other of their parties' activities and discussed the development of the friendly relations between the two parties and other matters of common concern.

Special Envoy of Nigerian Head of State Arrives

SK1502004095 Pyongyang KCNA in English 2244 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—Lt. Gen. Jt Useni, minister of Federal Capital Territory [name and title as received] who is a special envoy of the head of State of Nigeria, and his party arrived here today.

They were met at the airport by Vice-premier Hong Song-nam and Nigerian Ambassador to Korea Olugbenga Ayodeji Ashiru.

Attends Hong Song-nam Reception

SK1502054295 Pyongyang KCNA in English 0435 GMT 15 Feb 95

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—The Government of the Democratic People's Republic of Korea on Tuesday gave a reception for the visiting special envoy of the head of state of Nigeria, J. T. Useni, minister of federal capital territory, and his party at the Mansudae Assembly Hall.

Addressing the reception, Vice-Premier Hong Song-nam said the Nigerian people, under the leadership of his excellency respected Gen. Sani Abacha, are working energetically to achieve democracy suited to the conditions of the country, ejecting the interference of outside forces.

"The Korean people wish the Nigerian people success in their work for attaining social stability and national unity and develop the nation's economy," he said.

Special envoy J. T. Useni in his speech said his current Korea visit was aimed at tightening the relations between the two countries.

"Our current visit is all the more significant because it coincides with the 53d auspicious birthday of His Excellency Kim Chong-il," he said, and extended heartfelt greetings to him.

"Respected President Kim Il-song will always be alive in the hearts of the people for his exploits in liberating the Korean nation from the yoke of the colonial rule and building the only independent and self-reliant socialist system," he stressed.

He sincerely hoped that the Korean people would continue to go ahead along the road indicated by the great President Kim Il-song under the leadership of His Excellency Kim Chong-il.

Visits Kim Il-song's Statue

SK1502055795 Pyongyang KCNA in English
0500 GMT 15 Feb 95

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—J.T. Useni, minister of federal capital territory, who is a special envoy of the head of state of Nigeria, and his party on Feb. 14 called at the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang, laid a floral basket before it and made a bow.

Korean Social Democratic Party Delegates Return

SK1502004995 Pyongyang KCNA in English
2242 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—A delegation of the Korean Social Democratic Party headed by Chairman Kim Pyong-sik returned home on February 14 after visiting Asian nations.

It was met at the airport by Kim I-hyon, vice-chairman of the Central Committee of the Korean Social Democratic Party.

Arrivals of Foreign Visitors Reported

SK1502005095 Pyongyang KCNA in English
2246 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—Kenichi Ogami, secretary general of the International Institute of the Chuche Idea, and his party, a delegation of the Maritime Territorial Committee of the Communist Party of the Federation of Russia headed by First Secretary V. V. Grishukov and Kim Chin-kyong, president of Yanbian University of Science and Technology, China, arrived here today by air.

Sonu Hak-won, advisor to the U.S. headquarters of the National Alliance for the Country's Reunification (Pomminnyon), and his party and Chon Chong-nim, chairman of the Canadian regional headquarters of Pomminnyon, and his party came here today.

Kim Chong-il's Works Published in Romania, Nepal

SK1502044695 Pyongyang KCNA in English
0431 GMT 15 Feb 95

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—"Socialism Is a Science," a famous work of the great leader Comrade Kim Chong-il, was published in booklet by the Datina publishing house of Romania.

His work "Let Us March Forward Dynamically Along the Road of Socialism and Communism Under the Unfurled Banner of the Anti- Imperialist Struggle" was brought out in booklet by the Samjana publishing house of Nepal.

Foreign Officials Call Kim Chong-il Great Leader

SK1402230595 Pyongyang KCNA in English
2142 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—Foreign party and state leaders spoke highly of the wise leadership of the great leader Comrade Kim Chong-il.

Thai Prime Minister Chuan Likphai, when he received a government economic delegation of the Democratic People's Republic of Korea on February 8, noted that the DPRK was successfully solving all the problems arising at home and abroad under the wise guidance of his excellency the great leader Kim Chong-il. "Thai people rejoice over all the achievements made by the Korean people," he added.

Ali Hassan, general secretary of the Supreme Council of the Nationalist Socialist Party of Syria in Lebanon, when he received the DPRK ambassador to Lebanon on February 4, said dear Comrade Kim Chong-il is a great leader who, with politics based on love and trust, has turned the whole society into a great harmonious family all the members of which are united in one mind.

"He is deeply respected and praised not only by the Korean people but by the world people for his distinguished leadership ability and imperishable feats," he said.

Sergei Kallyakin, first secretary of the Central Committee of the Party of Communists of Belarus, received the DPRK ambassador to his country on February 2, and said "Socialism Is a Science," a work of the great leader Comrade Kim Chong-il, serves as the textbook of the struggle of the Belarus communists for the rebuilding of socialism.

He sincerely wished the Korean people greater achievements in their efforts for developing socialism under the guidance of the dear leader Comrade Kim Chong-il.

Kim Chong-il's Birthday Tributes Continue

PRC Leaders Send Flowers to Kim

SK1502004395 Pyongyang KCNA in English
2251 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—A floral basket came to the great leader Comrade Kim Chong-il from the Central Committee of the Communist Party of China (CPC) on his birthday.

Chinese Ambassador to Korea Qiao Zonghuai conveyed it today to Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea.

Written on the ribbon hanging from the floral basket are the letters reading "warm congratulations to Comrade Kim Chong-il on his 53rd birthday."

The ambassador said he was authorized to convey the floral basket and warmest congratulations and cordial greetings of Jiang Zemin, Deng Xiaoping, Li Peng, Qiao Shi, Li Ruihuan and other senior Chinese party and government officials to Comrade Kim Chong-il on his birthday.

Noting that Comrade Kim Chong-il is the great leader of the Korean party and people, the ambassador said he has devotedly and tirelessly worked for the party and state building in Korea and for the happiness of the Korean people and the dignity of the nation.

"The Chinese party and government will as ever make all efforts to further develop friendship between the parties, countries and peoples of China and Korea," he said, and continued:

"We deem it great honor and happiness to celebrate with the Korean people the birthday of Comrade Kim Chong-il, their greatest national holiday."

The ambassador wished Comrade Kim Chong-il good health and a long life.

Cuban Envoy Hosts Reception

SK1502043495 Pyongyang KCNA in English 0429 GMT 15 Feb 95

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—Cuban Ambassador to Korea Jose Ramon Rodriguez Varona arranged a reception Tuesday evening on the occasion of the birthday of the great leader Comrade Kim Chong-il.

Politburo member of the Central Committee of the Workers' Party of Korea, vice-premier of the Administration Council and foreign minister Kim Yong-nam, chairman of the State Education Commission Choe Ki-yong and other officials concerned were present on invitation.

Speeches were exchanged there.

Yasir 'Arafat Sends Flowers

SK1502003495 Pyongyang KCNA in English 2239 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—The great leader Comrade Kim Chong-il received a floral basket from Yasir 'Arafat, president of the State of Palestine, on his birthday.

The floral basket was handed on Feb. 14 to an official concerned by Palestinian Ambassador to Korea Shahir Muhammad.

Egyptian Envoy Hosts Reception

SK1402230195 Pyongyang KCNA in English 2137 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—Egyptian ambassador to Korea 'Ali Hijazi gave a reception on Feb. 13 on the birthday of the great leader of our party and our people Comrade Kim Chong-il.

The ambassador in his speech said he was very glad to celebrate the birthday of the great leader Comrade Marshal Kim Chong-il, a genius of revolution.

For the party, the country and the people Comrade Kim Chong-il has assumed the great mission of defending, developing and enriching the revolutionary idea of the great leader Comrade Kim Il-song who is immortal and completing the popular masses' cause of independence by carrying forward the revolutionary cause of chuche pioneered by him, the ambassador said.

Noting that Comrade Kim Chong-il has performed the immortal feats in carrying forward and developing the revolutionary traditions of the party, strengthening and developing the Democratic People's Republic of Korea into a true people's state serving them and building up the revolutionary Armed Forces into iron ranks reliably defending the country and the gains of revolution, the ambassador said: The world has witnessed this in the recent days.

Stating that Korea will surely be reunified thanks to the sagacity and tested leadership of Comrade Kim Chong-il, he hoped that this year will be the year of Korea's reunification.

Recalling that the great leader Comrade Kim Il-song called for turning the Korean peninsula into a zone free from nuclear weapons and all other mass destruction weapons, he congratulated Korea on its recent achievements in diplomacy under the guidance of the great leader Comrade Kim Chong-il.

Expressing deep thanks to the great leader Comrade Kim Chong-il for showing care for the rescue of the life of an official of the Egyptian Embassy, he said this reflected the solid friendly relations between the leaders and peoples of Egypt and Korea.

Kim Yong-nam, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice-premier of the Administration Council and foreign minister, in his speech said that the great leader Comrade Kim Chong-il who was born in Mt. Paektu during the sacred anti-Japanese great war for the liberation of the country has performed immortal exploits for the era and the people with his extraordinary intelligence, outstanding leadership and brilliant ideological and theoretical activities.

We believe that the friendly and cooperative relations between the two countries will continue to successfully develop amid the deep concern of the great leader Comrade Kim Chong-il and his excellency President Mubarak in the future, just as these relations were excellent on the basis of the particular intimacy and obligation between the great leader President Kim Il-song and his excellency President Mubarak, he said, and stressed:

We appreciate the efforts of your government and people for a peaceful solution to the Middle East issue, unity of the Arab countries and conversion of the Middle East into a zone free from mass destruction weapons, and wish them greater achievements in their future work for the prosperity of the country.

Diplomatic Corps Sends Flowers

SK1402232795 Pyongyang KCNA in English
2235 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—The great leader Comrade Kim Chong-il received a floral basket and a congratulatory letter from the diplomatic corps here on the occasion of his birthday.

The floral basket and the congratulatory letter were handed on Feb. 14 to Kim Yong-nam, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice-premier of the Administration Council and foreign minister, by Syrian Ambassador to Korea Yasir Farah who is the doyen of the diplomatic corps.

Noting that Comrade Kim Chong-il, who fully inherited the natural gifts of the great leader President Kim Il-song, is a great man, the doyen of the diplomatic corps lauded his popular traits.

"We feel stronger yearning for President Kim Il-song on the threshold of the significant holiday," he said, and continued:

"The birthday of Comrade Kim Chong-il, who is carrying forward his noble cause, is a holiday not only of the Korean people but of the world people who love peace and progress."

He wholeheartedly wished Comrade Kim Chong-il good health and a long life on the significant holiday.

Economic Corps Sends Flowers

SK1402232695 Pyongyang KCNA in English
2231 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—The great leader Comrade Kim Chong-il received a floral basket and a congratulatory letter from the economic and commercial councillors corps here on his birthday.

The floral basket and the congratulatory letter were handed on Feb. 14 to an official concerned by trade representative of the Russian Federation Evgeny Bilim who is doyen of the economic and commercial councillors corps.

Military Attaches Send Flowers

SK1502002295 Pyongyang KCNA in English
2238 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—The great leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA], received a floral basket and a congratulatory letter from the military attaches corps here on his birthday.

The floral basket and the congratulatory letter were handed on Feb. 14 to Choe Kwang, chief of the General Staff of the KPA, by military attache of the Vietnamese Embassy Tran Thuc who is doyen of the military attaches corps.

The doyen of the military attaches corps wholeheartedly wished Comrade Kim Chong-il, supreme commander of the Korean People's Army, who is wisely leading socialist construction and the accomplishment of the cause of national reunification in Korea, a long life in good health.

He said the military attaches will make every possible effort to develop the friendly and cooperative relations between the armies of the countries represented by them and the KPA.

Guyanese Officials Send Flowers

SK1502043795 Pyongyang KCNA in English
0427 GMT 15 Feb 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—Floral baskets came to the great leader Comrade Kim Chong-il on his birthday from leader of the United Republican Party of Guyana Lessle Ramsammy and leader of the Amerindian Action Movement of Guyana Peter Persaud. They handed the floral baskets to the Korean ambassador to Guyana on February 9 and 10.

They sincerely hoped that Comrade Kim Chong-il will enjoy a long life in good health and continue to wisely lead the struggle of the Korean people for the reunification and prosperity of the country.

They expressed the belief that the friendly and cooperative relations between their parties and the Workers' Party of Korea will further strengthen and develop.

Study Group Formed in Guyana

SK1502053495 Pyongyang KCNA in English
0443 GMT 15 Feb 95

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—An inaugural meeting of the group for the study of kimchongilism of the Amerindian Action Movement of Guyana was held in Georgetown on February 7 on the threshold of the birthday of the great leader Comrade Kim Chong-il.

Peter Perswud [name as received], leader of the movement, said in his speech:

"The great leader Comrade Kim Chong-il has published many works embodying the principles of the chuche idea that man is the master of everything and decides everything and clearly indicated the way the progressive humankind of the world should follow.

"His idea and theories grip the hearts of the world people for their profundity and actuality.

"We must not only make a deep study of his works carrying his idea and theories but apply them to practice."

Meanwhile, the inaugural meeting of the group for the stady of Kim Chong-il's works of the Independent Revolutionary Front of Malian Youth was held in Bamako on the threshold of the birthday of Comrade Kim Chong-il.

Sports Club Holds Naming Ceremony

SK1502045895 Pyongyang KCNA in English 0437 GMT 15 Feb 95

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—A naming ceremony of the Kim Chong-il Taekwondo Club was held in Ulaanbaatar on February 8 on the occasion of the birthday of the great leader Comrade Kim Chong-il.

The chief of the central club of the Mongolian Taekwondo Federation in his speech at the ceremony said:

"We decided to name our Taekwondo club the Kim Chong-il Taekwondo Club to glorify the august name of his excellency respected Kim Chong-il, with respect for him who shows deep concern for us to learn excellent Taekwondo of Korea."

Organizations Hold Rallies

SK1402095695 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 13 Feb 95

[FBIS Translated Text] All party members and working people who received the decree of the Central People's Committee [CPC] specifying as the greatest national day the birthday of Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, are now overflowing with boundless joy and excitement.

A feeling of endless admiration for the peerless great man [wiin] is being warmly effected throughout the country. Under these circumstances, rallies to significantly mark as the greatest national day the birthday of Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, were held at central and local party, government, administrative, and economic organizations; at working people's organizations; at science, education, culture and art, public health, and mass media organizations; and at plants and enterprises across the country.

The CPC decree that specifies 16 February, the birthday of the great leader [yongdoja] Comrade Kim Chong-il, as the greatest national day was read at the rallies. Discussions were held at the rallies, and the resolution was adopted.

Armed Forces Hold Reception

SK1502052195 Pyongyang KCNA in English 0459 GMT 15 Feb 95

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—The Ministry of the People's Armed Forces hosted a reception on Tuesday evening in celebration of the birthday of the great leader of our party and people Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army.

Invited to the reception were military attaches of foreign embassies here.

Addressing the reception, Choe Kwang, Politburo member of the Central Committee of the Workers' Party of Korea, vice-chairman of the National Defence Commission of the DPRK and chief of the General Staff of the Korean People's Army, said that the respected supreme commander possessed of wisdom and strategy as an illustrious commander produced by heaven has trained the People's Army to be an invincible, a-match-for-a hundred army capable of smashing any aggression of the enemy and reliably defending the Korean style socialist system and the gains of revolution. The Korean people, he noted, deem it their greatest happiness and biggest honor to live and struggle with the great leader Comrade Kim Chong-il at the head of our party and revolution. The Korean people and the People's Army will in the future, too, make sustained efforts to strengthen friendship and unity with the peoples and armies of many countries around the world in accordance with the idea of independence, peace and friendship, he said.

Doyen of the military attaches corps Tran Thuc, military attache of the Vietnamese Embassy, in his speech said that today the Korean People's Army has grown in strength to be invincible revolutionary Armed Forces under the wise guidance of Comrade Kim Chong-il, the great leader and supreme commander of the Korean People's Army. He expressed full support to all the efforts made by the Democratic People's Republic of Korea for peace and security on the Korean peninsula and the peaceful reunification of the country.

"I extend heartfelt thanks to Comrade Kim Chong-il, supreme commander of the Korean People's Army, for his deep attention to our work. I believe that the Korean people and the People's Army under the wise guidance of Marshal Kim Chong-il, supreme commander, will win greater victory in socialist construction and their work for the peaceful reunification of the country," he said.

A joint art performance was given.

Leaders Attend Birthday Meeting

SK1502081895 Pyongyang Korean Central Broadcasting Network in Korean 0700 GMT 95

[FBIS Translated Excerpt] This is the 8 February Palace of Culture. This is the 6,000-seat theater of the 8 February Palace of Culture. A grand central report meeting will take place here to celebrate the 53d birthday of Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people.

The flag of the honorable Workers Party of Korea [WPK] led by the great leader [yongdoja] Comrade Kim Chong-il is placed in front of the meeting hall. [Passage describing the meeting hall omitted]

Present at the meeting are members and candidate members of the WPK Central Committee residing Pyongyang; deputies to the Supreme People's Assembly [SPA]; officials of parties, state institutions, administrative and economic offices, and public organizations; generals of the Korean People's Army [KPA]; anti-Japanese war fighters; officials of scientific, educational, cultural, arts, public health, publication and mass media organizations; bereaved families of fallen anti-Japanese revolutionary martyrs; DPRK heroes and labor heroes; bearers of the three-revolutions red flag; KPA soldiers; and workers in the city. Also present at the meeting are delegations of the General Association of Korean Residents in Japan [Chongnyon], delegations of overseas compatriots who are staying in the socialist fatherland, and various other delegations. [Passage describing the meeting hall and the happiness of the occasion of Kim Chong-il's birthday, omitted]

[Sound of applause] Comrade Kang Song-san, member of the WPK Central Committee Political Bureau and premier of the Administration Council; Comrades Yi Chong-ok and Pak Song-chol, members of the WPK Central Committee Political Bureau and vice presidents; Vice President Kim Pyong-sik, chairman of the Korean Social Democratic Party Central Committee; members and candidate members of the WPK Central Committee Political Bureau; vice marshals of the KPA; secretaries of the WPK Central Committee; vice premiers of the Administration Council; senior officials of party and labor organizations; anti-Japanese revolutionary fighters; generals of the KPA; DPRK heroes and labor heroes; and labor innovators are coming to the rostrum.

The chief vice chairman of the Chongnyon Central Standing Committee and other overseas compatriots are coming to the rostrum.

Comrade Kang Hyon-su is presiding over the meeting.

[Kang Hyon-su] We will begin the central report meeting on the 53d birthday of Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people. [The DPRK national anthem is played]

Comrade Kye Ung-tae, member of the WPK Central Committee Political Bureau and secretary of the WPK Central Committee, will deliver a congratulatory report on the 53d birthday of Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people. [passage omitted]

Live Rally Broadcast Scheduled

OW1502063995 Tokyo KYODO in English 0416 GMT 15 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO—North Korea will hold a rally Thursday [16 February] to celebrate the 53rd birthday of de facto leader Kim Chong-il, Radio Pyongyang reported Wednesday.

Pyongyang Radio, monitored by Tokyo-based Radiopress News Agency, reported in the morning that it will broadcast the event live, beginning 4 P.M. [0700 GMT] Thursday.

It will be the first time such a rally has been held for Kim's birthday, Radiopress said.

A delegation led by Ho Chong-man, chief vice chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyun), arrived in Pyongyang on Tuesday, Pyongyang's Korean Central News Agency said.

They went to the North Korean capital to celebrate Kim's birthday, officials of the organization said.

Youth Volunteer To Work in Mines, Cooperatives

SK1402123195 Pyongyang Korean Central Broadcasting Network in Korean 2210 GMT 13 Feb 95

[FBIS Translated Text] A great many youth who received with warm hearts the New Year's handwritten letter from the great leader [yongdoja] Comrade Kim Chong-il are volunteering to work in difficult and hard sectors of the socialist construction, overflowing with a firm faith to live up to his trust and expectation. They are also visiting seething construction sites and battlefields to actively carry out the support work in a political and laborious manner.

According to data summarized by the League of Socialist Working Youth of Korea's Central Committee, several hundred youth have volunteered to work at coal mines, mines, and cooperative farms since the outset of this year. Also, youth in various units have supported major sectors in socialist construction in various forms and methods. The communist virtue that is being displayed among the new generation of youth, who grew up in the bosom of our party, clearly shows the noble spiritual world and firm will of the youth vanguards in our country who want to fully glorify on this land the fatherly leader's [suryong] intent during his lifetime under the party leadership, being the first to carry on the works the respected and beloved general intends and wishes to do.

South Korea

U.S. Official: No Decision Yet on Team Spirit

SK1502105595 Seoul YONHAP in English 1027 GMT 15 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 15 (YONHAP)—The United States has made no decision yet on the issue of whether to stage the joint Korea-U.S. Team Spirit Military Training Exercise this year, the NIHON KEIZAI SHIMBUN reported from Washington Wednesday [15 February].

Quoting a senior Pentagon official, the report said that although South Korea wants to stage the exercise as a means of putting pressure on North Korea which does not want to use the South Korean model of light-water reactors, the United States is in the policy of maintaining the "state of no decision" through late this year.

"At the moment, we have made no decision," the official was quoted as saying. "But, we are preparing ourselves for any decision to go ahead with this year's exercise."

As to the time of a final decision, the official said, "Last year, we could decide on its shelving only in autumn. I see we will be in the same situation this year."

The paper said a State Department official hinted at South Korea's call for staging the '95 Team Spirit by saying, "In South Korea there are some people who think there is the need to irritate North Korea."

The State Department official reportedly said it is wrong to raise the issue of the Team Spirit at this stage when things are being checked to determine whether North Korea is implementing the U.S.-North Korea agreement properly.

The paper observed U.S. Assistant Secretary of State Winston Lord, set to visit South Korea late this month, would not directly discuss the Team Spirit issue in Seoul.

Discussions on U.S. Port Facilities Proposed

SK1202074495 Seoul HANGYORE SINMUN in Korean 12 Feb 95 p 1

[Report by Kim Song-kol]

[FBIS Translated Text] In connection with HANGYORE SINMUN's 11 February report on U.S. port facilities in Pusan, the ROK Defense Ministry proposed to the U.S. Forces in the ROK to hold discussions on opening the U.S. military port facilities in Pusan.

A high-ranking ROK Defense Ministry official said on 11 February that the Defense Ministry sent an official letter to the U.S. Forces in the ROK on 9 February in which it proposed discussions on the ROK-U.S. joint use of U.S. military port facilities at Dock No. 8 at Pusan port.

The U.S. Forces have not responded to this proposal. If they express a willingness to hold discussions, the ROK Foreign Ministry and the U.S. Forces will discuss this issue at a full Status of Forces Agreement committee session.

Previously on 6 February, the ROK Maritime and Port Administration told the Defense Ministry that "goods have piled up at Pusan port because the earthquake in Kobe has paralyzed its port." After saying that, the Maritime and Port Administration asked the Defense Ministry to allow civilian freighters to use the U.S. military port facilities. The U.S. Forces in the ROK use two berths, 400 meters long, at Dock No. 8 at Pusan port free of charge. However, they do not allow civilian freighters to use the dock even though it handles a mere 120,000 tonnes of goods a year.

When the ROK Army and Navy, which each use two berths at Dock No. 8, are not utlizing the port facilities, they allow deep-sea fishing vessels and freighters to reload goods at the berths. Therefore, people have demanded that measures be mapped out to use the U.S. military port facilities.

Pusan Campaigns for Return of U.S. Facilities

SK1102122795 Seoul HANGYORE SINMUN in Korean 11 Feb 95 p 2

[Report by Choe Ik-nim: "Pusan Residents Campaign To Get 'U.S. Military Dock Returned'"]

[FBIS Translated Text] While there is a rising demand that the government conduct urgent negotiations with U.S. authorities for the immediate return of Dock No. 8 at Pusan port, which is exclusively used by the U.S. military, some 20 citizens and social organizations in Pusan decided to conduct a concerted massive citizens campaign demanding the return of the U.S. military dock.

Some 20 organizations, including the Pusan Alliance for Democracy and Reunification (standing chairman, Pae Ta-chi), the Pusan Alliance for Environmental Movement, and the Pusan Citizens Coalition for Economic Justice on 10 February decided to form a citizens movement headquarters to demand the return of the U.S. military dock and to launch an official citizens' organization through a delegates meeting on 17 February.

The citizens' organization to be formed will conduct a campaign for the immediate return of other U.S. facilities, as well as Dock No. 8 used exclusively by the U.S. military, such as Supply Depot No. 55 in Pomil-tong,

Tong-ku; U.S. Army Support Group No. 34 in Yonji-tong, Pusanjin-ku; and the 7th District Command (commonly called the Hialeah unit) which has been occupying major areas in Pusan without paying any fee for over 40 years.

DPRK Official: North Making Efforts on Accord

SK1502035295 Seoul KBS-1 Radio Network in Korean 0315 GMT 15 Feb 95

[YONHAP from Katmandu]

[FBIS Translated Text] So Chang-sik, director of the North Korean Foreign Ministry Disarmament Department, said on 14 February that North Korea will firmly implement [hwakkohage ihaeng] the U.S.-North Korean agreement.

In an international meeting on arms reduction being held by the United Nations in Katmandu, So Chang-sik referred to the U.S.-North Korean agreement as a milestone [ijongpyo] for the resolution of the North Korean nuclear issue and stated: North Korea is making all sincere efforts [modun chinjihan noryogul kiurigo itta] to implement the agreement.

Meanwhile, Yi So-hang, professor at the Institute of Foreign Affairs and Security and our side's delegate, said: North Korea should abandon its suspicious attitude of the ROK and accede to bilateral talks [pukhani hanguge taehan uisimsuroun taedorul porigo ssangmu hoedame imhaeya halgot].

DPRK Ministry Rejects ROK-Style Reactor

SK1502151895 Seoul KBS-1 Radio Network in Korean 1445 GMT 15 Feb 95

[FBIS Translated Text] On 15 February, North Korea again revealed its strong position that it cannot accept ROK-style light-water reactors.

On 15 February, a spokesman for the North Korean Foreign Ministry said that if the warning by the United States that it will scrap the U.S.-DPRK agreement if ROK-style light-water reactors is not fulfilled, and if the recent report that the Team Spirit exercise may be resumed, are true, then North Korea will make a different decision as well.

The spokesman of the North Korean Foreign Ministry claimed that if the agreed framework is not implemented smoothly due to unjust measures of the United States, it would be better if the agreement is broken at an early stage.

Foreign Minister on U.S. Troops, N-S Dialogue

SK1502050295 Seoul KBS-1 Radio Network in Korean 0400 GMT 15 Feb 95

[FBIS Translated Text] Foreign Minister Kong No-myong stated that a policy of nullifying the plan to reduce U.S. troops in the ROK will soon be announced for a complete resolution of the North Korean nuclear issue and for a firm security system on the Korean peninsula.

Foreign Minister Kong No-myong said this at today's meeting of the National Assembly Committee for Foreign Affairs and Unification and stressed that the improvement in U.S.-North Korean relations is impossible without South-North dialogue.

In particular, Minister Kong said: The U.S. basic position is that if North Korea does not accept the supply of ROK-type light- water reactors, the U.S.-North Korean agreement will become perilous [witaeropke toelgot].

Minister Kong also said that Winston Lord, U.S. deputy assistant secretary of state for Asian and the Pacific Affairs, will visit the ROK on 22 February to discuss in detail various issues concerning the implementation of the U.S.-North Korean agreement, such as the resumption of South-North dialogue.

In today's meeting, lawmakers of the ruling and opposition parties pointed out that the government shows an attitude of excessively relying upon the United States in improving South-North relations, and urged the government to show a firmer attitude toward issues including the issue on providing support for North Korea's switch to a light-water reactor system.

The lawmakers stated: North Korea is now opposing the supply of ROK-type light-water reactors, despite the U.S. official announcement that North Korea agreed to be provided with ROK-type reactors, which was released following the conclusion of the Geneva agreement. This indicates there are problems in the ROK-U.S. cooperative system.

The lawmakers then asked the minister if the ROK would be willing to withdraw the promise to share the expense for building light- water reactors if it fails to provide ROK-type reactors to North Korea.

Meetings With U.S. Planned To Discuss DPRK

SK1302035795 Seoul CHOSON ILBO in Korean 13 Feb 95 p 1

[By reporter Ku Song-chae]

[FBIS Translated Text] It was learned on 12 February that the government will regularly hold a ROK-U.S. council meeting for overall coordination [chonggwal chojong] of ROK and U.S. views on North Korean issues to implement the Geneva agreement between the United States and North Korea and to effectively make progress in South-North relations.

A government source said on that day: "Our government put forwarded this proposal during Foreign Minister Kong No-myong's recent visit to the United States, and the United States agreed to it." This source also said the ROK and the United States reached the agreement to strengthen their cooperation in coping with North Korea's offensive to estrange the ROK from the United States.

The ROK-U.S. council will consist of 10 or less members headed by an assistant minister-level official from each side. Core members of the ROK foreign affairs and security team, including officials from the National Unification Board, the Foreign Ministry, and the Defense Ministry, will participate in the council, which is likely to be created no later than March.

According to the government source, the council will closely coordinate [kinmirhi choyul] the ROK and U.S. positions on the issue of signing a contract on the reactor provision between the Korean Energy Development Organization and North Korea, the issue on the establishment of a U.S. liaison office in Pyongyang, and on the promotion of South-North dialogue, as well as issues regarding safety, technological, and environmental problems in providing support for North Korea's switch to a light-water reactor system. The source also said "It is very possible that this council will discuss military issues, such as ROK-U.S. countermeasures for North Korea's peace treaty offensive," as well as discuss political and technological problems that emerged following the conclusion of the Geneva agreement.

Regarding the venue and meeting period of the council, the source said that the two countries are considering to take turns in holding the council meeting quarterly or monthly in Washington and Seoul.

President Kim on DPRK's 'Double-Faced Nature'

SK1502015495 Seoul CHOSON ILBO in Korean 15 Feb 95 p 2

[Report by Kim Chang-ki]

[FBIS Translated Text] President Kim Yong-sam met with Kim Myong-yun, senior vice president of the Advisory Council for Democratic and Peaceful Unification, and Pak Sang-pom, secretary- general of the advisory council, on the morning of 14 February to receive a verbal report from them on the council's programs for this year. In a luncheon with the council staff and other officials concerned following the meeting, President Kim stressed the need to be on the alert against recent North Korean moves to strengthen its reunification front strategy [tongil chonson chollyak kanghwa umjigimul kyonggyehaeya handa].

President Kim also said: "North Korea is still avoiding dialogue with us while actively promoting improvement of its relations with the United States. North Korea has not abandoned its double-faced nature [ijungsong]."

2 to 6 Million in North Reportedly Hear KBS

SK1302100695 Seoul YONHAP in English 0757 GMT 13 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—There seem to be at least 2 million and possibly up to 6 million North Koreans who listen to programs aired by the Korean Broadcasting System (KBS), an estimate made by the KBS said Monday [13 February].

A KBS report on "the audience of the KBS socio-educational broadcast" states: "The number of radio receivers with unfixed dials North Koreans have is believed to somewhere between 400,000 and 1.2 million. Assuming an average of five people listen to one radio set, there exist at least 2 million and possibly up to 6 million North Korean listeners to the KBS socio-educational broadcasting programs."

Ordinary North Koreans can tune into only broadcasting stations designated by the authorities, as their receiving sets have fixed dials.

The estimate is based on the outcome of a survey of 25 North Korean defectors to the South and 1,000 ethnic Koreans living in China, Russia and the Sakhalin Island.

Of the North Korean defectors polled, 44 percent replied that 10 percent of North Koreans listen to South Korean broadcasts, while 56 percent of them responded that 20 percent of the North Korean population could listen to broadcasts from Seoul, according to the publication.

South Korean pop songs are quite popular among North Koreans, as well as with ethnic Koreans in China.

Asked how they learned of South Korean pop songs, 48 percent of the pollees gave tape cassettes circulated through Yanbian, northeastern China, as the source. Of the remainder, 20 percent targeted South Korean broadcasts, 20 percent from friends, 8 percent from the Yanbian Korean Broadcasting Station, and 4 percent from the Heilongjiang Korean Broadcasting Station.

Official on Timing of Kim Chong-il Rise to Power

SK1502010895 Seoul YONHAP in English 0055 GMT 15 Feb 95

[FBIS Transcribed Text] Moscow, Feb. 14 (YONHAP)—Kim Chong-il will formally succeed his father, Kim Il-song, as North Korea's leader in April when the embalming of the elder Kim's corpse is completed, ITAR-TASS News Agency reported Tuesday.

In an interview with ITAR-TASS, Vladimir Tolstykov, president of the Russia-North Korea Friendship and Culture Society, said the embalmed corpse of Kim Il-song would be laid in state in the Presidential Palace in Pyongyang, adding the palace is now cordoned off for the embalming work.

Predicting that the embalming work would be completed sometime in April, he said he thinks the younger Kim will officially become president of North Korea and concurrently serve as secretary-general of the (North) Korean Workers' Party, succeeding his father, after the embalmed body of the elder Kim is laid in state in the Presidential Palace.

North Korea reportedly invited three Russian embalming specialists to Pyongyang last August for the preservation of the elder Kim's corpse, and the embalming work usually takes eight months.

Revealing that he had met Kim Chong-il toward the end of the 1980s, Tolstykov said the younger Kim had been friendly to Russia at the time, ITAR-TASS reported.

The Russia-North Korea Friendship and Culture Society, established a year and half ago, is designed to promote non- political and non-ideological relations between the two countries. It opposes, in principle, the Russian Government's North Korea policy, though its opposition is not inflexible.

The association plans to hold a birthday ceremony for Kim Chong- il Thursday, inviting pro-North Korean Duma (parliament) members, North Koreans residing in Moscow and Russian veterans who fought in the Korean war on the North Korean side.

North on Kim Chong-il's 'Broad-Minded' Policies

SK1302051695 Seoul SEOUL SINMUN in Korean 13 Feb 95 p 15

[From "Various Aspects on North Korea" column]

[FBIS Translated Text] A popular saying "A verbal reactionary act is not necessarily a reactionary act" is spreading among the North Korean people.

According to testimonies by defectors, this popular saying rapidly spread among the North Korean people after a film propagandizing Kim Chong-il's "broad-minded policies" [kwangpok chongchi] was shown.

North Korea recently produced the film "Guarantee" propagandizing Kim Chong-il's ruling style as "the Workers Party of Korea embraces in its bosom the class with ideological differences [pokchaphan kyechung] as well." It was shown at the Tongpyongyang Theater and on the central television station.

The content of this film is: During a quarrel with a store salesperson, a scholar protested: "Why is there no toothpaste and toothbrushes in this store?" Because of this, the scholar was labeled as a reactionary by a secretary of a primary party committee. At this, the scholar complained to the party center by saying: "Why is telling a fact a reactionary act?" Thus, the scholar was even able to meet Kim Il-song due to this incident. The film propagandizes Kim Chong-il's so-called broad-minded policies, that is to say, policies of benevolence, that "the party is generous [kwandae] toward any class."

Right after this film was shown, the awareness that "A verbal reactionary act is not necessarily a reactionary act," spread among the people and even brought about remarks such as: "Telling as it is without distorting the truth is not a reactionary act," and "If there is something that needs to be inquired regarding a secretary of a primary party committee, let us do it."

NUB: DPRK, Thailand Agree on Rice Purchase

SK1302070895 Seoul YONHAP in English 0631 GMT 13 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—North Korea completed a provisional agreement with Thailand to import about 300,000 tons of low-grade rice on Feb. 9, National Unification Board (NUB) officials said Monday.

According to NUB officials, North Korea will purchase the rice on two occasions—the first 100,000 tons on credit and the remaining 200,000 tons by barter.

Pyongyang will begin to pay for the first delivery in two years, while they will barter its hot-rolled coil, zinc and cement for the second delivery of rice, they explained.

In addition, the two nations also agreed that North Korea should either pay, or present a detailed plan to pay, the 23 million U.S. dollars by July 15 this year for the 100,000 tons of rice it imported from Thailand from 1993 to early 1994 on credit at an annual interest rate of 7.5 percent.

An NUB official said, "This agreement has been made because Thailand's need to export its low-grade rice, for which there is little demand, was met by North Korea's efforts to solve its grave food shortage."

He expected that the trading, if realized, will considerably contribute to ending North Korea's food shortage.

Poll: Most South Koreans Support Rice for North

SK1502114095 Seoul YONHAP in English 1116 GMT 15 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP)—Most South Korean people support the move being promoted by some religious organizations to ship a large amount of rice to North Korea in return for some North Korean goods.

An opinion survey taken recently by the Hyundai Research Institute toward 800 ordinary adult men and women and 200 political and economic experts, showed on Wednesday [15 February] 76.3 percent of the ordinary people questioned and 75.5 percent of the respondent experts supported the shipment of rice to North Korea.

On economic cooperation with North Korea, 58.8 percent of the ordinary persons and 71.5 percent of the experts said economic cooperation should be promoted even if it brings about economic losses to the South.

On the other hand, 63.1 percent of the ordinary people and 71.5 percent of the experts said there needs government control to forestall excessive competition among northward industries.

Of the ordinary people and experts polled, 43.5 and 51.5 percent said economic cooperation will lead to the open-up of North Korea resulting in the fall of the North Korean system.

Only 24.1 percent and 27 percent said economic cooperation will help North Korea surmount their economic crisis to bring about the stability of the system.

Meanwhile, 72.1 percent of the ordinary people and 56 percent of experts said they believe North Korea would not renounce their nuclear arms development even though they are provided with light-water reactors.

Studies on North Farming, N-S Exchange Planned

SK1202040795 Seoul THE KOREA TIMES in English 12 Feb 95 p 9

[FBIS Transcribed Text] The government will launch a variety of full-scale studies of North Korean agriculture and inter-Korean exchange to solve probable food shortages after the unification of the peninsula.

Kim Kwang-hui, administrator of the Rural Development Administration, briefed Agriculture, Forestry and Fisheries Minister Choe In-ki yesterday on the need for a study of North Korean agriculture to solve a possible food grain shortage in case of unification.

In his New Year's business report, Kim said that his administration has undertaken a large number of research projects to support the North's agriculture and to transfer farm technology in preparation for full-fledged exchanges with the North.

The projects include an analysis of the current state of Northern agriculture and food production, an analysis of farming technology, and a study of ways to promote exchanges of agricultural technology.

Reports on Ambassadorial Ties With Egypt Denied

SK1302033195 Seoul YONHAP in English 0258 GMT 13 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—Foreign Ministry spokesman Yu Kwang-sok denied Monday press reports that South Korea and Egypt has recently agreed to establish ambassadorial level diplomatic relations.

"South Korea and Egypt have yet to reach an agreement on the establishment of formal diplomatic relations, although it is a longstanding diplomatic issue and task to be tackled by the two sides," said Yu.

South Korea has no need to hurry because South Korean businessmen have no major obstacles to doing business in Egypt, since they have the help of the South Korean consul-general in Cairo, said the spokesman.

Ministry officials, however, said that they have tried to set up ambassadorial relations with Cairo since 1961 when the two countries exchanged consulates in each other's capitals and South Korea has raised the issue several times when contacting Cairo officials.

The reports, which became the target of the denial, argued that Egyptian President Husni Mubarak had changed his mind since the death of North Korea's Kim Il-song, with whom Mubarak had maintained close relations, especially after the 1973 incident when Kim dispatched North Korean pilots to Mubarak to help the Egyptian Air Force in the war against Israel.

The officials added that it is not in the interest of the country to announce any development in negotiations between Seoul and Cairo on the establishment of ambassadorial relations before the matter is concluded, in consideration of Cairo's relations with Pyongyang.

Consulate-General Official Comments

SK1302032795 Seoul YONHAP in English 0247 GMT 13 Feb 95

[FBIS Transcribed Text] Cairo, Feb. 13 (YONHAP)—A published report in Seoul that Egypt has agreed to establish ambassador-level diplomatic relations with South Korea was denied by an official at the South Korean Consulate-general here Monday.

A reliable source at the consulate here said: "It is nothing but a rumor that the Egyptian Government has agreed to set up ambassador-level relations with South Korea."

The vernacular daily CHOSON ILBO, quoting a Seoul diplomatic source, reported Monday that the two countries had agreed to establish ambassadorial relations in the coming spring, 34 years after they concluded consular relations in 1961.

Noting that rumors of imminent full-fledged South Korea-Egypt relations have often gone around in the past, the source said, "Even after the death of Kim Il-song, who was considered to be the biggest block to Seoul's establishment of full diplomatic relations with Cairo, Egypt is not yet in a position to open such relations with South Korea."

Both Egypt and South Korea, who at present enjoy satisfactory economic and trade relations, find no acute reasons to hasten the establishment of full-fledged relations, according to the source.

Egyptian Foreign Minister 'Amr Mahmud Musa is now visiting Washington to discuss how to expedite the Mideast peace process with his Israeli, Jordanian and Palestinian counterparts.

In the meantime, consul-general to Cairo, Chong Tae-ik, told YONHAP last Wednesday before departing for Seoul to attend a mission chiefs meeting: "We had expected Foreign Minister Musa to obtain President Muhammad Husni Mubarak's approval for establishing ambassador-level relations with South Korea prior to the former's visit to Japan, but to no avail. But with Mubarak's Japan visit (in March) just around the corner, another chance has been lost to get the approval."

Steps Taken To Explore PRC Tourist Market

SK1302014595 Seoul YONHAP in English 0040 GMT 13 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—South Korea is taking ambitious steps to explore the tourist market from China, which is emerging as the number two origin of incoming tourists, following Japan.

The Culture and Sports Ministry will assign an official to Beijing this month, and the Korea National Tourism Corp. (KNTC) will open a branch in Beijing by March.

South Korea also plans to set up and operate a governmental tourism promotion council with China during the first half of the year, and to promote a variety of events designed to lure Chinese tourists into the country.

To publicize the country's cultural and tourist attractions, the Culture and Sports Ministry will soon dispatch a grade-five official to the South Korean Embassy in Beijing, ministry officials said Monday. The cultural attache will prepare for the establishment of a cultural center there.

Under its plan to open its Beijing bureau by the end of March, the KNTC appointed the bureau chief late last year and has recently secured an office site for the bureau.

To expand the tourist exchange with China, the Culture and Sports Ministry is working on plans to form a South Korea-China tourism promotion council by June this year, which will convene every year.

The ministry also strives to relax exit and entry regulations for Chinese tourists, to help boost the number of Chinese tourists visiting South Korea.

The KNTC on the other hand is slated to hold a number of tourism conventions and briefing sessions in major Chinese cities. Tourism conventions will take place in Beijing, Shanghai and Guangzhou in March, to which tourist firms will be invited.

South Korea tourism briefing sessions are scheduled to be held in Beijing, Shanghai and Shenzhen in June and October with enterprises and social organizations invited.

Samsung Workers in PRC Held Strike 17, 18 Jan

SK1102085595 Seoul YONHAP in English 0827 GMT 11 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 11 (YONHAP)—Some 900 Chinese workers of Samsung Electronics Co.'s audio equipment factory in Huizhou City, Guangdong Province, China, staged a strike from Jan. 17-18 in protest against the company's rejection of their 50-percent pay raise demand, sources close to Samsung electronics said over the weekend.

The strike ended after 20 workers were fired under the Chinese law providing for dismissal or detention of striking or sabotaging workers, but eight of them have been reemployed, according to them.

Pay raise negotiations are underway, as March is the month for annual pay raises, they said.

Samsung built the factory at a cost of 8.9 million U.S. dollars in October 1993 and began January last year producing annually 500,000 units of audio equipment, such as compact disk (CD) music centers and portable CD players.

The Samsung factory's strike is feared to spread to other South Korean electronics factories in Guangdong Province.

ROK-Russia-Japan Fiber-Optic Cable Inaugurated

SK1502060095 Seoul YONHAP in English 0510 GMT 15 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP)—An undersea fiber-optic cable communications network linking South Korea, Russia and Japan (R-J-K cable) with a total length of 1,761 kilometers was inaugurated Wednesday to herald a new chapter in the Northeast Asian era.

The historic occasion was marked in an opening ceremony held in the conference room of the Information-Communications Ministry building in Kwanghwamun, central Seoul. The ceremony was attended by about 300 people including Information-Communications Minister Kyong Sang-hyon, Rep. Chang Kyong-u, chairman of the National Assembly's Communications and Science Committee, and the ambassadors in Seoul of Russia, Japan and Denmark.

The ceremony was followed by a video conference in which the vice prime ministers of the three countries exchanged recorded greetings. They were South Korean Deputy Premier and Finance and Economy Minister Hong Chae-hyong, Japanese Deputy Premier and Foreign Minister Yohei Kono, and first vice chairman of the government of the Russian Federation Oleg Saskovets. The video teleconference was performed through a fiber-optic cable linking the three cities of Seoul, Khabarovsk and Tokyo.

In congratulatory messages prepared in their respective mother tongues, the three vice premiers congratulated each other on the construction of a pan-East Sea super-highway information-communications network through the installation of the undersea fiber-optic cable and hoped for increased cooperation among the three countries.

Following a survey in 1992, the R-J-K cable laying project began in June 1993, with capital invested jointly by 24 telecom concerns from 14 countries including South Korea, Russia, Japan and the United States, and was completed in a year and a half. Of the total construction expense of 100 million U.S. dollars, South Korea shouldered 29 million dollars—22 million dollars by Korea Telecom and 7 million dollars by Dacom.

The cable, diverging from a point 100 kilometers north of Tokto island in the East Sea to the southeastern Korean city of Pusan, Far Eastern Russian City of Nakhodka and western Japanese port city of Naoetsu, has a 560 mbps [megabits per second] system, capable of transmitting 560 million bits per second. The cable accommodates 15,120 circuits—7,560 circuits each between South Korea and Japan and Russia.

The R-J-K cable is the second of its kind involving South Korea, following the Hong Kong-Japan-Korea cable which was installed in 1990. While communication from South Korea to Hong Kong through the first cable has to go through Japan, communication between South Korea and Russia through the second cable is done directly.

Thanks to the opening of the R-J-K cable network, South Koreans are now able to directly telephone Russia's Far East Regions, like Maritime Province and Sakhalin Island, without going through Moscow any longer, and with a better connection. Upon the opening of the Trans-Siberian digital microwave network in June, South Koreans will be able to have direct telephone connections with Moscow and Europe as well.

The opening of the R-J-K cable communications network meanwhile provides South Korea with momentum to shift to a fiber-optic era in international communications, away from a satellite era which was launched in 1970 when the Kumsan ground station of the international telecom satellite was opened.

South Korea operated 8,861 circuits for international communications as of the end of 1994. Of the total, 50.5 percent or 4,471 circuits relied on satellite, and 49.5 percent or 4,390 circuits on submarine cable. With the opening of the R-J-K cable, reliance upon cable has reached 51 percent.

Seoul, Russia Plan Natural Gas Project Study

SK1502061895 Seoul YONHAP in English 0549 GMT 15 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP)—South Korea and Russia will soon conduct a study of natural gas reserves and the pipeline route linking them, according to South Korean Ambassador to Russia Han Sok-kyu Wednesday.

The president of Saha, an autonomous Republic of Russia, Mikhail Nikolayev, will visit Seoul on Feb. 26 at the invitation of International Trade and Industry Minister Pak Chae-yun to discuss ways to proceed with the joint project for the development of Siberian natural gas wells. The collaborative project was agreed upon between President Kim Yong-sam and his Russian counterpart Boris Yeltsin last year, said Han who is attending an annual home meeting of mission chiefs.

The two countries have been conducting a feasibility study of the gas wells in Siberia for the past six months with each side investing 10 million dollars.

Ambassador Han hoped that the 5,000-km pipeline route could be on the same line linking Saha or Yakutia gas wells with the Russian far eastern cities of Khabarovsk and Vladivostok, North Korea's Najin-Sonbong region or Wonsan City and South Korean cities, adding that the passage of the gas pipeline through North Korea may help improve relations between South and North Korea.

He said that the Russians had no opposition to the idea of the pipeline penetrating the North.

Because of the renewal of the mutual assistance and defense treaty between North Korea and Russia which was signed in 1961 and expires this coming September, South Korea is closely watching movements in Moscow, said Han.

The ambassador also said that article 1 of the treaty on the automatic involvement in conflicts on the Korean peninsula is virtually dead, because Russia had already informed the North last year of its intention not to militarily involve itself in any conflict on the peninsula, unless the conflict was caused by forces other than those of North Korea.

Although Russia feels isolated in the process of decision-making for the North Korean nuclear issue, Russia still backs the Korean armistice agreement and Yeltsin, for the first time as a head of state, openly supported Seoul's bid to join the United Nations Security Council (UNSC), said Han.

He painted a rosy picture for the outlook for bilateral relations between Seoul and Moscow, saying that bilateral trade increased 63 percent to 2.3 billion dollars last year over the previous year, while North Korea has some limitations in improving relations with Russia because of the North's impoverishment.

The southeastern port city of Pusan has emerged the hub for Russian businessmen and merchants, said Han who added that they brought 300 to 400 million dollars worth of Korean goods to Russia last year.

The Russian authorities recently decided to bring in 15,000 Esperos from Daewoo Motor Co. to use them as taxis in Moscow, in the first official taxi business in the Russian capital, said Han.

South Korean electronics products are so popular in Russia that Russians have to stand in line to get Korean electronics products, despite the fact that, in one instance, Samsung Electronics Co. send over a quarter of its television sets manufactured in the country to Russia, according to Han.

On the North Korean loggers issue, South Korea and Russia have already established a norm in which the loggers who want to seek asylum from the logging camps must obtain refugee status in accordance with the United Nations High Commissioner for Refugees (UNHCR) regulations.

The only pending issue on the reimbursement of the South Korean loans to Russia is how to calculate the interest on the loan during the reimbursement period. The two countries have already agreed on ways of Russian repayment of the loan in defense equipment and other materials, said Han.

He, however, refused to speculate on the political future of Russia citing many variables involved.

Number of Russians Visiting Pusan 'Soaring'

SK1302065595 Seoul YONHAP in English 0507 GMT 13 Feb 95

[FBIS Transcribed Text] Pusan, South Korea, Feb. 13 (YONHAP)—The number of Russian ships as well as Russian people visiting the southeastern port city of Pusan has rapidly increased, the Pusan district maritime and port authority said Monday.

The number of Russian ships that docked at Pusan port last year reached 1,767, up 45.8 percent from 1,212 ships last year and soaring 93.8 percent from 912 in 1993, the authority said.

Fishing vessels accounted for most of the Russian ships anchored in Pusan last year, at 719, followed by general cargo ships at 452, refrigerator ships at 239, passenger ships at 175 and full container ships at 45.

The increase in the number of Russian passenger ships is remarkable, since the number of passenger ships that arrived in Pusan was 99 in 1993 and a mere 30 in 1992.

The Russians who visited Pusan by ship reached 98,967 including 83,364 seamen last year, compared to 72,116 (65,557) in 1993 and 51,344 (46,584) in 1992.

The Russian visitors accounted for 18 percent of the total foreign visitors here last year which reached 548,405.

The authority attributed the rapid increase of Russian visitors here to their purchase everyday household goods, which are cheaper than Japanese ones.

Meanwhile, the Russians spent an average of 1,800 U.S. dollars each for the purchase of South Korean merchandise in 1994, according to the authority.

Russia Expresses 'Regret' Over Gorbachev's Visit

SK1102030395 Seoul YONHAP in English 0155 GMT 11 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 11 (YONHAP)—Former Soviet President Mikhail Gorbachev reportedly received huge amounts of U.S. dollars from various organizations in South Korea during his recent visit, diplomatic sources here said Saturday.

A source said he amassed the sum, that he took home, from lectures and interviews that he gave to universities, business corporations and other social organizations.

Gorbachev, who is currently the president of Green Cross International, arrived in Seoul last Sunday to take part in the international symposium held to commemorate the inauguration of the environmental organization's South Korean headquarters.

The source revealed that Gorbachev either asked for or received considerable payments as guest speaker to various lectures, interviews and meetings.

"He must have received huge amounts of dollars from over 10 occasions of lectures, interviews and meetings," he said.

The source even quoted a former South Korean foreign minister, identified only as "I," saying that even when Gorbachev was president of the former Soviet Union, he also received large amounts of money from South Korea under President No Tae-u, adding that he is currently operating a large-scale research center in Moscow from the money he acquired in South Korea.

During his stay in Korea, Gorbachev made political remarks, frequently blasting Boris Yeltsin's Russian Government, which digressed from the intended purpose of his visit - to support the environmental campaign in commemoration of the Green Cross South Korea.

Gorbachev's criticism of the Russian Government has, therefore, invited sensitive air between the Seoul and Moscow Governments.

A Foreign Ministry official stated the Russian Government, through its embassy to Seoul, has conveyed regret for Gorbachev's activities in South Korea, while sounding out the South Korean Government's position toward his visit to South Korea.

Seoul Seeks Russian Space Project Participation

SK1102024995 Seoul THE KOREA HERALD in English 11 Feb 95 p 1

[FBIS Transcribed Text] South Korea is seeking to participate in a project to repair a space telescope on the Russian space station Mir, the Korea Astronomy Observatory said yesterday.

The project envisions sending a Korean scientist to Mir for the repair work, raising the possibility of seeing the nation's first astronaut, according to the observatory.

Observatory Director Pak Hong-so confirmed that his institute has had negotiations with Russia and Armenia on replacing key parts of the space telescope Glazar-2, which is currently out of order.

He said working-level talks for the project are slated to be held in Moscow late next month.

Glazar-2 is an ultraviolet telescope placed on Mir in 1990 for collecting data on galaxies, replacing Glazar-1. It is owned by Armenia but managed by Russia. It is not functioning at present because of the breakdown of its camera parts.

The repair project envisages the replacement of the camera with an ultramodern "charge coupled device" camera worth about $2 million, according to the observatory.

The observatory had proposed that the repair crew to be launched to Mir include a Korean scientist or technician, who would become the first Korean cosmonaut.

Observatory officials said Russia informed the observatory last month that it would agree to Korea's participation in the repair project on condition that Korea bear the costs.

They said Korea's participation in the project would contribute considerably to advancing the level of the nation's astronomical studies.

Mir, earlier this week, had a rendezvous with the U.S. space shuttle, Discovery.

Observatory officials also said negotiations are under way between Korea and Russia on Korea's participation in the production of "Aschot," a huge space telescope similar to the American "Hubble."

SRV Offers To Buy Patrol Boats From Hyundai

SK1302014295 Seoul YONHAP in English 0110 GMT 13 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—Vietnam has offered to purchase three 80-ton fast patrol boats from the Hyundai Group, according to the group and the Defense Ministry.

Receiving the offer late last year, Hyundai Corp., the trading arm of the group, applied early last month for the Defense Ministry's permit to export the boats, built by Hyundai Heavy Industries Co., to Vietnam.

The boat, measuring 26 meters long and 1.4 meters high, is internationally recognized for its excellent performance in coastal patrol missions. It can cruise at a maximum speed of 40 knots an hour and is priced between 5 and 7 million dollars.

If the deal is struck, it will be the country's first sale of defense equipment to Vietnam.

Defense Ministry officials said Monday that the ministry would shortly decide on Hyundai's application for the sale of the fast boats to Vietnam through consultation with related government agencies.

'High-Priced' Aircraft Ordered From Canada

SK1102014795 Seoul THE KOREA TIMES in English 11 Feb 95 p 3

[FBIS Transcribed Text] The Construction and Transportation Ministry has ordered a high-priced aircraft from Bombardier Aerospace Group in Canada to use as its flight inspection plane.

The ministry has wrapped up negotiations with the manufacturer to bring in a brand-new Canadair Challenger 601-3R, worth 20 million dollars, to conduct checks on the operation of ground stations tasked to provide guidance for aircraft in flight.

Along with the aircraft, the ministry also purchased 4 billion won worth of electronic equipment from a company through an international bid participated in by four companies.

The aircraft will be handed over to Korea later this year and put into service next year. It will be based in Kimpo International Airport.

France Agrees on Mutual Loan of Historic Books

SK1502055395 Seoul YONHAP in English 0521 GMT 15 Feb 95

[FBIS Transcribed Text] Paris, Feb. 15 (YONHAP)—South Korea and France have reached a basic agreement on the mutual lending of Choson (Yi) Dynasty books for 10 years initially and later will automatically extend the lending period by five years under "a tacit agreement," as a means to settling the issue concerning the return to South Korea of the books the French Navy seized from a royal library of the Choson Dynasty in the late 19th century.

South Korean Ambassador Chang Son-sop said Tuesday that under an agreement reached after a year of negotiations, France will lend the 296 books from a Choson Dynasty royal library, now kept in the Paris National Library, in return for South Korea's lending of old books equivalent in historic value to the books France will lend.

The initial lending period will be 10 years and the period will be automatically extended by five years with the two countries' tacit agreement.

The lists of books on loan will be attached to the agreement, and negotiations about these lists are underway.

The French list includes 297 books, including one that President Francois Mitterrand handed to President Kim Yong-sam when he visited Seoul last September.

The Korean list is under negotiation. Korea first offered a list of several hundred books, so that France could select from among them the books they wanted to borrow. But France said the books on the Korean list are not only inferior in value to the books on the French list, but also of little help to the development of Korean studies in France.

Consequently, Korea offered another list of books, which is currently being examined by France. France is reportedly demanding that Korea lend books which were published during the same period as that of the books on the French list and which are equivalent in value to the books that France will lend.

So, it is unlikely that the issue of the French return of the Choson Dynasty books will be settled during President Kim's visit to Paris in early March, contrary to earlier expectations, as the negotiations over the Korean list of books appear to drag on.

Moreover, the French presidential elections in April and May and President Mitterrand's retirement are feared to kill the negotiations altogether.

Ambassador Chang said as negotiations are on the government-to-goverment level, not on the person-to-person level, the change of government in France would not break down the negotations.

If both sides agree to a Korean list of books, the negotiations would proceed very quickly, he added.

Overseas Diplomatic Heads Meeting Opens in Seoul

SK1302030695 Seoul YONHAP in English 0204 GMT 13 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—Chiefs of diplomatic missions posted abroad began Monday an annual meeting here to review major foreign policy issues including support for the globalization scheme promoted by President Kim Yong-sam.

In his opening speech at the meeting, Foreign Minister Kong No- myong stressed the importance of the envoys' efforts to meet the people's growing expectations of and interest in the country's foreign service, which he hailed as a great success since the country's liberation from Japanese colonial rule half a century ago.

Introducing President Kim Yong-sam's call for the leading role of the ministry in the government's globalization strategy, Kong also urged the envoys to engage in "new diplomacy" under the principles of morality and standards, so that the country can upgrade its international status based on national power.

The mission chiefs, during their five-day meeting, will focus their discussion on diplomatic efforts for South Korea's admission as a non-permanent member to the United Nations Security Council, Trade Ambassador Kim Chol-su's election as director general of the World Trade Organization (WTO), and South Korea's hosting of the World Cup soccer finals.

They are also scheduled to discuss systematically expanding diplomatic networks so that each overseas diplomatic office can be in the vanguard of the country's trade diplomacy. They will also discuss increased economic cooperation and aid to developing countries.

They are slated to hold seven full sessions to handle such issues as political affairs, economy, international trade and culture. The meeting will be divided into three to four groups that will discuss four major regional affairs.

Globalization Policy on Conglomerates Questioned

SK1402121595 Seoul YONHAP in English 1059 GMT 14 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—Choe Chong- hyon, president of the Federation of Korean Industries (FKI), on Tuesday [14 February] stressed that the government should reconsider its policy toward business conglomerates in this age of globalization.

In a press conference upon his re-election as FKI head, Choe said the "old-fashioned" policy of promoting business-line specialization and dispersion of industrial ownership would only result in weakening industrial competitiveness.

"I rather believe that the past expansion of industries by major business conglomerates has become the propellant behind today's success of electronics and auto industries," Choe said.

Noting no other countries institutionally regulate industrial ownership and expansion, Choe who himself owns a leading business conglomerate said that if businesses pursue the specialization of their business lines, they may face business crises at some days as is the case with the U.S. Steel.

"The reason foreign industries regard our electronics and auto industries as awesome rivals is that they have conglomerates comprising a number of industries in their background," he said.

Choe also said it is wrong for the government to pursue a policy to cool down the domestic business on the ground that it is overheated.

A financial control stemming from such a policy feeds surging interest rates which, in turn, make it very difficult for industries to compete with foreign industries enjoying low interests.

Ministry Launches International Recruitment Center

SK1402084695 Seoul YONHAP in English 0826 GMT 14 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—The Foreign Ministry announced Tuesday [14 February] that it is launching Wednesday an International Recruitment Center (IRC) to help South Koreans obtain jobs in international organizations.

Ministry officials hoped the opening of the IRC will boost the country's role in the international community to contribute to this year's policy goal of globalization.

The IRC, to be set up within the ministry's U.N. System Bureau, will collect and provide information on recruitment in international organizations, said the officials, who added that the IRC will also engage in activities to assist those who want to get employment in world organizations.

The IRC will issue a monthly publication carrying information on recruitment in world bodies and provide the information to a PC communications network called "Chollian," they said.

It will also inform Korean compatriots in foreign countries of the information through foreign missions, they said.

Interested persons must have a two-year experience in any specific field, be 50 years of age or younger and have English- speaking abilities. If they meet the qualifications, they can apply to the IRC to be put on the IRC list, which will be consulted to match applicants to prospective jobs, said the officials.

The ministry will also soon introduce a Junior Professional Officer (JPO) system in which people under the age of 30 will be sent to world bodies for training, with the government's financial assistance, said the officials.

Those interested can call the IRC at 725-5839.

New Transporting, Reloading Transit Trade Rules

SK1402080395 Seoul YONHAP in English 0735 GMT 14 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—The procedures for transporting and reloading goods in the transit trade will be greatly simplified, as the volume of international trade passing through the country rises steadily.

Under the new transit trade guidelines, the Korean Customs Administration (KCA) declared at a meeting of 12 transit trade-related concerns held at the Korea Foreign Trade Association Tuesday [14 February], to ensure the fast transfer of transit cargo from piers to airports. Instead of going through a bonded warehouse, the bonded transportation of such cargo directly from a pier to a nearby airport will be made available. Mandatory covered trailer use, as well as mandatory customs sealing system, will also help prevent the damage of goods during transportation.

In addition, the customs officer's approval for reloading transit goods at seaports or airports is no longer necessary as a simple declaration will suffice and the mandatory presence of a customs officer in unloading containerized goods for repackaging by destination will no longer be enforced.

Pusan Harbor's Pier No. 7 will be reshaped for exclusive transit trade use and Kimpo International Airport will have a fixed location for storing transit goods. In addition, a 10-kilometer container-only road will be built between Chasongdae Pier and Sinsondae Pier in Pusan Harbor.

With the trade volumes of China, Russia and Southeast Asian nations increasing, the volume of goods going to these countries via South Korea is rising sharply, KCA officials said.

The new transit trade guidelines are designed to increase the role of the country's ports in transit trade for increased income from such trade.

In 1994, the country's transit trade handling rose 235.7 percent to 620,000 TEUs (ton equivalent units) in containerized sea cargo, 14.2 percent to 193,000 tons in air cargo and 186.7 percent to 12,000 tons in sea-air transfer cargo.

Entrepot trade, the processing of imported goods in the bonded area for reexportation to a third country, also increased 66.3 percent to 190 million dollars.

Government Moving To Expand Market Opening

SK1502021195 Seoul THE KOREA TIMES in English 15 Feb 95 p 8

[Report by Cho Chae-hyon]

[FBIS Transcribed Text] The government is moving to the use of market opening as leverage to lower domestic prices.

This represents a turning away from its past passive attitude of avoiding market opening as long as possible to protect vulnerable domestic enterprises.

It plans to overhaul its imports policy in which priority has been given to suppliers rather than consumers.

"The government will open wider the door to foreign goods. And policy on imports will be focused on increasing benefits of consumers," and Chong Chi-taek, an official in charge of prices policy department at the Ministry of Finance and Economy [MFE].

Government officials are well aware that Korea can no longer close its market as international trade is becoming freer and more open under the projected World Trade Organization [WTO].

The MFE yesterday held an expanded meeting with officials from the Trade, Industry and Energy Ministry, Fair Trade Commission [FTC], Korea Development Institute and the Korea Chamber of Commerce and Industry [KCCI] to discuss ways to pull down prices of goods.

After holding a series of meetings between government officials and business concerns, the government will announce, probably in March, a comprehensive package of measures aimed at stabilizing prices by expanding market opening.

MFE officials say the new policy will emphasize the promotion of the interests of consumers who have seen little benefit from the increase in imports largely because of distorted and complex distribution systems.

In order to pull down prices of imported goods and help consumers acquire them at lower prices, the government will establish centers which will exclusively sell imported products.

"The government will continue to open the market wider and utilize it as a tool to lower domestic industrial prices and strengthen fair competition among firms. And it is considering setting up centers which will exclusively deal in imported goods so that they can supply them at lower prices," Chong of the MFE said.

He added that the distorted distribution system is the main culprit behind the still high prices of imported goods. The revamping of distribution systems will further expedite the ongoing "price slashing" in the distribution industry, he said.

Meanwhile, the MFE and FTC have made it clear that they will come up with policy schemes to prevent enterprises from exploiting their superior positions when dealing in imported goods. It is a fact that the increase in imported goods has had little effect on pulling down prices, a situation which government officials claim stems from the convoluted distribution structure and unfair trading by enterprises.

The government said it will study measures to narrow the gap between prices of imported goods here and in foreign nations.

The MFE said related ministries have yet to decide details of the steps. Assistant Finance and Economy Minister Yi Sok-chae will host a meeting with his counterparts from other ministries Thursday. On Feb. 24, the MFE will hold a forum, in cooperation with the KCCI, on the theme of policies to stabilize prices in the WTO era.

The government also hinted that it will continue to ease restrictions limiting imports of goods from Japan on a gradual basis. But it said it has no plans to expand GSP (generalized system of preference) benefits for developing nations.

All in all, MFE officials said the package of new measures will aim at maximizing positive impact of the market opening on the overall economy.

The government's move follows unabated complaints by foreign nations about what they claim to be an over-tight Korean market. However, it remains to be seen how wide Korea will open its market to foreign competition.

Coalition Says OECD Membership 'Premature'

SK1402064695 Seoul YONHAP in English 0620 GMT 14 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—A leading civic movement body asserted Tuesday that it is premature for South Korea to join the Organization for Economic Cooperation and Development (OECD) because of its probable adverse effects on the nation's economy.

The (CCEJ) maintained in a statement: "In light of the risks that the unstable international financial market will impose on the nation's economy, our inclusion in the OECD should be put off until devices have been arranged to protect domestic industries from adverse effects of the financial market liberalization."

The government plans to submit an application for admission to the OECD in March.

"If OECD membership is promoted under a set schedule, it would strengthen the basis of competition on the part of our industries," the influential civic movement organization said. "If the nation affiliates itself with the OECD without securing proper safety valves and continuously opens its foreign exchange and capital markets, however, domestic industries could be exposed to serious dangers."

The Citizens' Coalition called upon the government to learn lessons from the recent Mexican peso crisis, in which Mexico paid a terrible economic price for a rash opening of its foreign exchange and financial market, as well as similar cases that whipped Argentina and Chile in the late 1970s.

Deputy Prime Minister on Application for OECD

OW1502014795 Tokyo ASAHI SHIMBUN in Japanese 14 Feb 95 Morning Edition p 11

[By correspondents Harufumi Kiyota and Tsutomu Watanabe]

[FBIS Translated Text] Seoul, 13 February—Hong Chae-hyong, South Korean deputy prime minister and minister of the Board of Finance and Economy [BFE], granted an interview to ASAHI SHIMBUN on 13 February. During the interview, Hong disclosed South Korea planned to submit an application at the end of March for admission to the Organization for Economic Cooperation and Development (OECD) in 1996. He also noted that Seoul would continue to act positively as an intermediary between developed and developing countries in the Asia-Pacific Economic Cooperation (APEC) forum, and that it would promote deregulation as a priority task at home.

In the administrative reform carried out last year-end, Hong was named the first minister of the "BFE," which was established by consolidating the Economic Planning Board and the Finance Ministry. This is the first time that he has given an interview to a foreign news organization.

Concerning Seoul's bid to become the second Asian country to Japan in joining the OECD, Hong said: "We are interested in whether or not the goals and values that our economic policy pursue are in accord with the free market ideal which the OECD has sought." He thus indicated that Seoul would conduct negotiations with the OECD over the terms for its participation, such as the extent of economic liberalization and openness.

At the November summit meeting in Indonesia, the APEC forum issued a Bogor declaration, which calls for developed nations to liberalize trade and investment by 2010 and developing countries by 2020. However, some people have raised an objection to it. Commenting on this, Hong said: "There is diversity in the level of development among APEC members. Thus, the forum has sought a moderate liberalization of tariffs and trade. South Korea hopes to act as an intermediary between developed and developing countries."

Regarding deregulation at home, he said: "Although we eased more than 3,000 regulations from 1993 to 1994, companies and people in the private sector have claimed that deregulation efforts are still insufficient. So, we listed up 23 priority areas such as customs clearance and construction and worked out improvement measures."

Hong disclosed that Seoul began last year to reduce the number of items subject to its "import diversification program," which is aimed at restricting imports from Japan, and that it would decrease to half the number from 258 to 129 by 1998. He also stressed that Seoul began efforts last year to improve circumstances surrounding foreign enterprises, such as a taxation system and land acquisition, and as a result, investment by Japanese firms had increased 50 percent. Hong then said Seoul would continue to welcome the inroads of Japanese small- and medium-sized firms into the South Korean market.

In the end, he said that although the South Korean economy would continue to grow thanks to a rise in equipment investment and robust domestic demand, Seoul would seek a moderate annual economic growth of about seven percent until 1997 to prevent the economy from overheating so that commodity prices would be stabilized.

Meeting Prepares For UN World Youth Conference

SK1402080695 Seoul YONHAP in English 0741 GMT 14 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—A preparatory meeting for the 1995 World Youth Leaders Conference, which is to be jointly opened by the government and the United Nations Secretariat, began Tuesday at the Olympic Parktel in Seoul.

At the meeting attended by some 30 dignitaries including Culture- Sports Minister Chu Ton-sik, the chancellor of Kyonghui University System, Choe Yong-sik, was appointed as chairman of the Conference Organizing Committee and 13 other people were named as advisors and committee members.

Designed to celebrate the 50th anniversary of the United Nations, the international gathering is slated for five days, starting May 30, in Seoul under the management of the Korea Institute for Youth Development (KIYD) and the International Association of University Presidents (IAUP).

Among the prospected 1,200 participants at the conference, presidents of the student councils of such famous universities as Harvard, Oxford, and Moscow, and representatives of university students, scholars and youth specialists are expected to attend.

The conferees will debate on adolescent issues and youth's role under the theme "The Role of the New Generation in the Age of Globalization."

President Kim, DP Floor Leader Discuss Ties

SK1102030995 Seoul YONHAP in English 0248 GMT 11 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 11 (YONHAP)—President Kim Yong-sam held a breakfast meeting with opposition Democratic Party (DP) floor leader Sin Ki-ha at Chongwadae [presidential offices] Saturday morning and exchanged views on ways to promote bipartisan cooperation and activate operation of the National Assembly.

President Kim reportedly emphasized that the country's politicians must renew their thoughts and awareness with a view to promoting political reforms and refreshing election climate to create "a new Korea."

A Chongwadae official said that the president asked Rep. Sin for the ruling and opposition parties to lead the political reform with warmth in their relations.

The Chongwadae breakfast marked the first one-on-one meeting with the opposition floor leader since President Kim took office.

Rep. Sin once served as the special assistant to President Kim when the latter was formerly the president of the defunct opposition united Democratic Party.

DP 'Responding With Dismay'

SK1102063995 Seoul YONHAP in English 0612 GMT 11 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 11 (YONHAP)—The opposition Democratic Party (DP) is responding with dismay to the one-on-one meeting at Chongwadae [presidential offices] between President Kim Yong-sam and DP floor leader Sin Ki-ha over breakfast Saturday morning.

Most DP members said the president's meeting with Rep. Sin, that was arranged without consulting the top leadership of the DP, will not help mend fences between the ruling and opposition parties.

In particular, DP President Yi Ki-taek, who previously proposed a summit meeting with the president, reacted with displeasure and criticized the chief executive.

Yi charged that the party should have been notified in advance of the Chongwadae meeting as "the party is an organized society representing the people.

"It is senseless in light of the political morality to call in the floor leader to Chongwadae as if they were having secret talks," Yi said.

He reportedly chided Rep. Sin for his "careless" acceptance of the invitation by saying, "How in the world did you accept the meeting with the president without knowing its purpose in advance?"

The DP chairman explained that Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation, also showed a negative response to the meeting, asking, "I don't know whether procedures have been appropriate, but Is the meeting acceptable in light of the political morality?"

Other factional members of the DP shared a similar view on the Chongwadae meeting and analyzed that it would not contribute to bipartisan relations.

Party spokesman Pak Chi-won insisted that Rep. Sin should have first discussed the matter with party leadership prior to his personal acceptance. "We have to think about the real intention of Chongwadae."

Rep. Han Kwang-ok, a leading member of the party's largest faction "Tongkyo-tong," said "dialogue itself is not bad, but it is not good to call him in so abruptly."

A close aide to Chairman Yi said sarcastically, "Then how is it that Chairman Yi calls ruling party floor leader Rep. Hyon Kyong- tae in his residence in Pukahyon-tong?"

Yi Ki-taek, Kim Tae-chung Discuss DP Issues

SK1102063295 Seoul YONHAP in English 0547 GMT 11 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 11 (YONHAP)—Yi Ki-taek, chairman of the main opposition Democratic Party (DP), visited former opposition leader Kim Tae-chung Saturday morning to exchange views on pending issues inside the party.

Sources said they agreed to reconcile factions in the party, so that the special national convention slated for Feb. 24 can be held without conflict, as well as obtain good results in the local elections in June.

Kim, former DP candidate for president in 1992 and now chairman of the Peace Foundation for the Asia-Pacific Region, has many followers in the party, and they form the majority of the opposition party lawmakers.

The two talked for about an hour on ways to settle the discord within the party that began during Chairman Yi's struggle late last year for the indictment of those involved in the "Dec. 12 coup d'etat-like incident" and during preparations for the national convention.

After the meeting, Yi said that they discussed details of a possible unity of opposition parties, as well as the admission of non-party political figures into the party in time for the four major local elections. He added that they decided to cooperate with each other in making efforts for the party's successful elections.

Yi said, "There were little differences about pending issues inside the party. We dispelled the misunderstanding to each other caused by indirect communication."

The meeting was realized to remove conflicts and feuds between major factions in the party—one backing Yi and the other behind Kim.

Party members are watching closely for results stemming from the meeting, sources said.

Opposition's Negotiations 'Proceeding Smoothly'

SK1502082095 Seoul YONHAP in English 0810 GMT 15 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP)—Negotiations for the unity of the main opposition Democratic Party [DP] and two minor opposition groups are proceeding smoothly and the three plan to make a joint declaration for it early next week.

The Democratic Party will hold the second working-level meeting with the New Korea Party and the National Congress in the Unification Era Thursday [16 February] to put the final touches on the agreement from the first meeting.

If everything goes as planned, the leaders of the three groups, Yi Ki-taek of the Democratic Party, Yi Chong-chan of the New Korea Party and Kim Kun-tae of the National Congress, will meet next Tuesday or Wednesday to issue a joint statement declaring the unity.

Rep. Kim Tae-sik of the Democratic Party committee promoting opposition integration told his party's executive council meeting Wednesday that the three groups would agree to merge into a single united party before the Democratic Party's national convention slated for Feb. 24, adding negotiations were thus far successful.

The three have reportedly agreed to discuss their respective shares in the integrated party, such as distribution of the new party's posts, and district chapters and tickets for the upcoming local elections, after their integration is declared.

They have already agreed to use the name of the Democratic Party for the united party, base the new party's policy and platform on the Democratic Party's with due respect to those of the New Korea Party and the National Congress and push for the reinstatement of civil rights to those who have allegedly been deprived of their liberties for their past democratic movements.

The Democratic Party is said to be considering Yi Chong-chan of the New Korea Party and Kim Kun-tae of the National Congress to be vice presidents of the new party.

DLP Race Ends in 'One-Challenger Contest'

SK1102012995 Seoul THE KOREA TIMES in English 11 Feb 95 p 2

[From the "Press Pocket" column: "Disappointment"]

[FBIS Transcribed Text] As the race to elect the floor leader of the ruling Democratic Liberal Party (DLP) ended in a one-challenger contest Thursday, Chongwadae [presidential offices] showed clear signs of disappointment yesterday.

As one of the first steps to democratizing the party, President Kim Yong-sam decided to introduce an open but "limited basis" race. He handpicked two candidates—Reps. Kim Yong-ku and Hyon Kyong-tae—for the secret direct vote.

But, apparently acting without any inkling of what Chongwadae wanted, Rep. Kim dropped out to the disappointment of many DLP lawmakers and the political circle.

What embarrassed the presidential office was that President Kim wanted Rep. Kim as the DLP floor leader, according to a ranking Chongwadae staffer yesterday.

Some observers ascribed the failed race to President Kim's excessive prudence against news leaks of his appointment prior to the formal announcement.

Reps. Kim and Hyon also had no idea what President Kim was thinking, the presidential aide said.

The aide disclosed that even Prime Minister Yi Hong-ku sent one of his secretaries to Chongwadae to ask for information about who will be nominated for the race, but he returned empty handed because there were no senior presidential staffers who had any idea about President Kim's decision.

DLP Names Committee Chairmen, Executive Council

SK1102071595 Seoul YONHAP in English 0636 GMT 11 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 11 (YONHAP)—The ruling Democratic Liberal Party (DLP) Saturday appointed Rep. Kang Yong-sik as chief secretary to the party chairman, Rep. Choe Chae-uk as Planning and Coordination Committee chairman and Rep. Kim Unhwan as Organization Committee chairman.

In the reshuffle of middle- and low-level post holders, the first of its kind since the party's national convention last Tuesday, the government party also named 11 new members of the Central Executive Council, the top decision-making body, Party Spokesman Rep. Pak Pomchin announced Saturday.

The newly-appointed Central Executive Council members are Reps. Choe Hyong-u, Yi Min-sop, Mun Chongsu, Yi Se-ki, Chong Chae-mun, So Chong-won, Nam Chae-tu, Kang Sam-chae, No In-hwan, Yi Ung-hui and Kang Chae-sop. The council is comprised of 46 members.

Rep. Kim Chong-ha was designated to succeed Rep. Kim Han-kyu, who just became chief secretary to the DLP president, as the International Competitive Power Reinforcement Committee chairman.

Rep. Kim Kil-hong was appointed Public Information Committee chairman, Rep. Ha Sun-pong as International Cooperation Committee chairman, and Rep. Chang Yong-chol as Finance Committee chairman.

Eight lawmakers were appointed deputy floor leaders. They are Reps. Ho Chae-hong, Pak Chu-chon, Kim Hae-sok, Chong Chang-hyon, O Chang-sop, Pak Hui-pu, Pan Hyong-sik and Pak Hon-ki.

Kim Chong-suk, the former secretary to the Second State Minister for Political Affairs, and Reps. Kim Hyong-o and Kim Pom-myong were named as deputy spokespersons.

Kim Emphasizes DLP Leading Role in Parliament

SK1302065395 Seoul YONHAP in English 0426 GMT 13 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—President Kim Yong-sam will entrust his ruling Democratic Liberal Party (DLP) to play a leading role, with DLP Chairman Yi Chun-ku at the top, in the operation of the National Assembly and the warming of relations with opposition parties.

A Chongwadae [presidential offices] official said Monday that President Kim firmly stands behind his plan for chairmen of the DLP and the major opposition Democratic Party (DP) or their floor leaders to meet in order to solve bipartisan issues.

The official attached no political significance to the exclusive meeting at Chongwadae between President Kim and DP floor leader Sin Ki-ha last weekend, saying the meeting was in private at the request of the opposition member.

"The Chongwadae meeting was held as Rep. Sin had expressed hope to see the president privately several times," the official explained. "There were not talks in the strict sense of the word. The president just wanted to hear from him on the opposition party."

President Kim's basic plan is to promote the national goal of globalization at home and abroad, he emphasized. "Accordingly, there is no change in the president's basic position that the ruling party should be left at its own discretion to handle the affairs involving the parliament and the opposition parties.

In light of such a position of the president and Chongwadae, there seems little prospect for an early meeting between President Kim and DP Chairman Yi Ki-taek, political observers predicted.

DLP Head on Rezoning Administrative Districts

SK1402080895 Seoul YONHAP in English 0715 GMT 14 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—Kim Tok- yong, secretary-general of the ruling Democratic Liberal Party (DLP), has called attention to the need to rezone the country's administrative districts and urged the ruling and opposition parties to sincerely discuss the issue.

Rep. Kim's remark came in response to the call Tuesday by the Citizens' Coalition for Economic Justice (CCEJ) for the need to revamp the administrative sections before the nationwide local elections slated for June.

Kim claimed that political parties have neglected efforts to prepare for the local autonomy system.

"It will be more difficult to revamp the administrative districts if the country implements the local autonomy system without solving problems inherent in the current administrative zoning system," Kim insisted at a meeting of senior DLP post holders chaired by party Chairman Yi Chun-ku.

Kim noted that the ruling and opposition parties must find time and opportunities to seriously discuss the issue even before the local polls.

Kim is the first senior post holder of the ruling party to raise such an issue at the formal meeting and his statement seriously implicates the need to postpone the local elections in connection with the administrative rezoning.

"It is difficult to discuss the administrative renovations, as people will charge that we are using tactics to postpone the local elections. But we have to distinguish between right and wrong," he emphasized.

Kim made the same assertion later in the day when he attended a luncheon meeting with DLP advisors at the 63 Building in Yoido, Seoul and said "we have not prepared for district rezoning and now we have to consider what is available right now."

However, DLP Chairman Yi and First State Minister for Political Affairs Kim Yun-hwan objected to Kim's proposal, saying it was improper to raise the issue with the imminent local elections only a few months away.

Both Chairman Yi and Minister Kim argued that they recognized the necessity of the rezoning, but insisted that local elections must be held as scheduled with the present administrative system unaltered.

Party Spokesman Pak Pom-chin said that the revamping of the administrative district is impossible in terms of its timing unless the local polls are postponed.

But he hinted at the possibility of intra-party discussion on that issue by saying, "that is an issue to be sincerely discussed with the party."

Head of Coalition for Economic Justice Resigns

SK1402013495 Seoul YONHAP in English 0112 GMT 14 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—So Kyong-sok, secretary-general of the Citizens' Coalition for Economic Justice (CCEJ), resigned from his post at a meeting of the leading civic movement body's managing executive council Monday evening.

So claimed that he stepped down from the post to revitalize the coalition's organization, saying that in the future, he would devote himself to international affairs by promoting cooperative relations with other international civic groups.

Asked on the rumor that he resigned to run in the mayoral election of the Seoul city in June, So said, "it is totally groundless that I stepped down for political reason."

The executive council decided to accept So's resignation and resolved to recommend Yu Chae-hyon, CCEJ's deputy secretary-general, as his successor.

So will be in charge of international affairs as director of the CCEJ Economic Justice Research Center and vice chairman of the managing executive council.

While serving as the secretary-general, So made great contributions to the development of the organization since it was founded in July 1987.

Ministry Said Studying Performance Rating System

SK1102085395 Seoul YONHAP in English 0824 GMT 11 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 11 (YONHAP)—Vice Foreign Minister Yi Si-yong said at weekend a performance rating system would be introduced to all ministry officials, including those at diplomatic missions overseas.

The ministry's working-level officials are now studying when and how this system should be implemented, he added.

The foreign service can hardly become efficient and viable insofar as only those working in the limelighted fields, such as those related to North Korea's nuclear issue and Seoul-Washington relations, are attracting attention, he remarked.

The proposed system will be for those who are doing very well in their assigned task, irrespective of whether or not it is in the limelight, with a firm sense of mission to be duly rated and recognized, Yi explained.

When the system is introduced, there will be no lobbying for promotion, he said. It will be a system suitable to the ministry's situation that will replace the present ineffective job evaluation system.

Former Labor Minister Arrested on Bribery Charge

SK1102020695 Seoul THE KOREA HERALD in English 11 Feb 95 p 3

[FBIS Transcribed Text] The prosecution yesterday arrested Cho Chol-kwon, former minister of labor, and five others, including three public servants, on bribery charges.

Cho, 66, who now heads an advertising company in Seoul, is suspected of having bribed three officials of the Yongdungpo Ward Office in Seoul for building illegally a large sized advertisement bulletin board on the rooftop of the Korean Labor Welfare Corp. (KLWC) in Yongdungpo.

According to the Seoul District Prosecutor's Office looking into the bribery case, Cho gave a total of 13 million won in bribes to the three officials, including An Pyong-won, 54, in 1990 in the course of putting up the electronic advertisement board and gaining the rental rights to the facilities.

Since the acquisition of the ownership, Cho has leased the advertisement board to Hyundai Motors Co. for nearly four years and made a combined profit of 4.8 billion won, the prosecution said.

He also violated the law on advertisement facilities which calls for the renewal of ownership of commercial bulletin boards every three years, it said.

Cho served as governor of North Cholla Province, minister of patriots and veterans affairs, and minister of labor under former President Chon Tu-hwan.

The prosecution has already arrested Chon Pyong-su, 56, former chief of the facilities management department of the KLWC, on charge of receiving kickbacks of 66 million won from Cho in return for illegally allowing Cho to set up the advertisement board on the top of the KLWC building.

FTC Strengthens Efforts for Small, Medium Firms

SK1102025195 Seoul THE KOREA HERALD in English 11 Feb 95 p 8

[FBIS Transcribed Text] The Fair Trade Commission (FTC) is strengthening its efforts this year to put subcontracting practices on the right track, so as to support small- and medium-sized firms.

Despite the general economic boom, many small companies are still hard-pressed by continuing insolvencies and other complications.

The FTC seeks to step up the protection of subcontractors by subjecting more industries and prime contractors to the Act on Fair Subcontract Trade. The related laws will be revised and go into effect April 1.

Subcontractors in the computer software, design and engineering industries will be given protection under the revised laws.

In trades between small firms, a prime contractor currently refers to a company that employs more than 100 people and subcontracts to another company with less than 100 employees. The scope of a prime contractor under the new act will be extended to any firm whose yearly sales or number of employees exceeds twice that of its subcontractor.

The revised act will also expand the scope of constructors to include those defined by the five environment-related laws and the three energy-related laws.

The FTC will make a list of businesses and industries, that lag behind in instituting fair subcontracting practices, and exercise its authority to initiate investigations. It is also pushing for stiffer penalties for violations.

Most likely to make it to the list are 111 second-tier construction companies, with contract billings of 35.1-98.4 billion won, failing to observe the Fair Subcontract Trade Law.

The fair trade watchdog also keeps tabs on those manufacturers hitting 50 billion won or more in sales in the subcontract-stricken industries, such as auto, electronics, computers, office equipment, clothing and fur.

In a bid to alleviate the cash shortage small firms are undergoing, the commission will see to it that prime contractors pay for subcontracts within 60 days and crack down on unjust returns and unjustifiably delayed payments.

The FTC will survey whether subcontractors are paid at year-end and Chusok holidays when small firms are most in need of cash and take measures to set things straight.

Small Firms' Import Settlement Period Extended

SK1102023895 Seoul THE KOREA HERALD in English 11 Feb 95 p 8

[FBIS Transcribed Text] The government, to help ease cash flow of small businesses, will extend their import settlement period by 30 days, while abolishing the ceiling on advance receipts for exports, the Ministry of Finance and Economy said.

Under the plan, the smaller companies' usance period for imports of materials for re-export use will be lengthened to 180 days from the present 150 days. If the imports are from neighboring countries, the period will be extended from 60 to 90 days.

The usance period is a time fixed by custom for the payment of a bill of exchange.

For imports of goods for domestic use, the usance period will be extended from 60 to 90 days if the products come from far-away regions, and from 30 to 60 days, from nearby regions.

The upper limit for small businesses to receive in advance for their foreign shipments, now set at 10 percent of their export amount in the preceding year, will be abolished. The corresponding ceiling for larger companies, 5 percent of their exports, will remain unchanged.

In a related move, the government will also extend the period for small businesses to import under factoring formula, from 30 to 60 days.

Factoring is a system designed to eliminate payment risks in overseas sales and to ensure that the seller receives prompt settlement, under which the factoring agency pays the exporter and in due course the buyer pays the factor.

These measures, coming on the heels of the government's aid package for small businesses Thursday, will go into effect next Monday.

Daewoo Announces In-House Managerial Reforms

SK1502081595 Seoul YONHAP in English 0759 GMT 15 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP)—The Daewoo Business Group announced Wednesday [15 February] sweeping in-house managerial reforms, highlighted by the creation of chairmanships at each affiliate company aimed at managerial independence from the group.

The group dismantled the group-wide Management Committee and the group-wide Planning and Coordination Office (PCO), which have been the top decision-making bodies, and decided to leave the management of its mainstay enterprises at the hands of professional business managers.

It further decided to downsize, reducing the number of its affiliates from a current 21 to 14 by selling or merging non- mainstay companies by 1997 to accelerate its globalization program, the announcement said.

Under the decision, four firms—Kyongnam Metal Co., Koram Plastic Co., Korean Industrial Systems Co. and Daewoo Electric Motor Ind. Ltd—are to be sold off and Orion Electric Components Co. and Daewoo Electronic Components Co. are to be merged.

The managerial reorganization was accompanied by a massive personnel change, in which a total of 283 executives have been promoted or transferred.

Group Chairman Kim U-chung will be in charge of Daewoo Motor Co., while management of other mainstay businesses will rest with professional managers: Daewoo Corp., Chairmen So Hyong-suk (trade sector) and Chang Yong-su (construction sector): Daewoo Electronics Co., Chairman Pae Sun-hun: Daewoo Heavy Ind. Ltd., Yun Yong-suk: and Daewoo Telecom Ltd., Pak Sung-kyu.

Brunei, Malaysia & Singapore

Malaysia

Cambodian Demands Annulment of Airline Deal

BK1302134895 Hong Kong AFP in English 1053 GMT 13 Feb 95

[FBIS Transcribed Text] Kuala Lumpur, Feb 13 (AFP)—Former Cambodian finance minister Sam Rangsi alleged Monday that a move by state carrier Royal Air Cambodge (RAC) to sell a 40 percent stake to Malaysian Helicopter Services Bhd. (MHS) was unlawful and demanded it be annulled.

"We find this contract very unfair to Cambodia, with a complete lack of transparency in its negotiation, decision and signing process," said Rangsi in documents sent to AFP in Kuala Lumpur Monday.

The former Phnom Penh official, still an MP in Cambodian First Premier Norodom Ranarridh's FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party, claimed the 10 million dollar deal between RAC and listed MHS on December 28 last year violated at least four provisions in Cambodia's Constitution.

MHS, which controls Kuala Lumpur's national carrier Malaysia Airlines (MAS), was courted by Cambodia while Phnom Penh was seeking an international airline to help launch its own carrier and MHS itself was keen to expand regionally.

Rangsi, who enclosed a copy of his letter to MAS chairman Tajudin Ramli in the documents, said he was confident that the firm on learning of the consequences of its actions would not pursue any activity in Cambodia "which will tarnish its reputation."

Rangsi, who lost his government post last year after a cabinet shake-up, is arguing that the RAC deal violates the constitution by transferring a number of state rights to a private company.

He also said the agreement placed financial commitments on the state and required it to sell a number of state assets, both without approval of the Cambodian parliament.

The deal also diverted state revenues from Cambodia's national budget, said Rangsi, who was in Kuala Lumpur over the weekend to "plead with Malaysian firms not to take unfair advantage of war-torn Cambodia."

He was accompanied by two other MPs—Kem Sokha of the Buddhist Liberal Democratic party and Ros Roeun of the Molinaka party.

Rangsi's protest came amid a rush of Malaysian investment into Cambodia to help in the reconstruction of the war-torn state.

The three politicians questioned the legality of several mega- deals won by Malaysian companies in Cambodia, which they claimed lacked transparency.

Among the Malaysian deals probed by the trio was a 40 million dollar electricity provision contract in Phnom Penh won by listed Leader Universal Holdings Bhd. and a huge township development in Sihanoukville by Ariston Sdn. Bhd.

The parliamentarians also sought further details of a contract to extend and renovate the Potenchong airport in Phnom Penh clinched by Muhibbah-Masterton and a 800,000 hectare (320,000 acre) timber concession won by Samling Corp., which they called "forestry exploitation.

Islands Disputed With Indonesia Remain on Map

BK1302143595 Kuala Lumpur BERITA HARIAN in Malay 10 Feb 95 p 8

[FBIS Translated Text] Kuala Lumpur, Thursday [9 February]—The Islands of Sipadan and Ligitan remain in Malaysian territory, as reflected in the current map, which was issued and published in 1979.

Datuk Abdul Majid Mohamed, director general of the Survey and Mapping Department, said the map, which also includes Batu Putih Island in Malaysian territory, was then submitted by the Ministry of Foreign Affairs to the United Nations as a reference material.

He said, however, that the department has yet to issue Malaysia's latest map.

"The 1979 map, which includes the Islands of Sipadan, Ligitan, and Batu Putih in Malaysian territory, has become our reference material," he said today.

He was commenting on remarks by Paul Suharto, head of the Indonesian Survey and Mapping Coordinating Agency, in Jakarta yesterday that the agency will not change its policy of including the Islands of Sipadan and Ligitan on the republic's latest map.

Suharto reportedly said the agency has included the Islands of Sipadan and Ligitan in the map although the ownership of the the two islands is still disputed by Indonesia and Malaysia.

According to Suharto, the two islands have been included in Indonesia's latest map because the agency considers the islands part of the republic on the basis of a straight line from Sebatik Island.

The Malaysian-Indonesian Joint Working Group failed to agree on the settlement of the claims to two islands during its third meeting in Jakarta last September.

Malaysia wants the claims to the two islands in Sabah waters to be referred to the International Court of Justice.

Abdul Majid said Malaysia declares the two islands and Batu Putih Island (disputed with Singapore) as part of its territory on the basis the 1979 map, which remains valid.

According to him, no time frame has been set to revise the country's map and the Ministry of Foreign Affairs is responsible for raising any territorial dispute, as in the case of the claim to Batu Putih Island.

Ministry Disburses SMI Development Funds

BK1402082595 Kuala Lumpur Voice of Malaysia in English 0600 GMT 14 Feb 95

[FBIS Transcribed Text] The Ministry of International Trade and Industry, MITI, has today dispersed a total of 133.8 million ringgit for various types of industrial schemes under the Sixth Malaysia Plan allocated for the small and medium industry, SMI. Its minister, Datuk Sri Rafidah Aziz, said the total represented 65 percent of the total allocation of 209 million ringgit for the SMI development under the plan. In 1994 alone a total of 74.6 million ringgit financial assistance had been disbursed.

She said this in a speech at the presentation of financial allocation for implementation of SMI development program to four implementing agencies in Kuala Lumpur. The soft loan scheme implemented is opened to eligible SMI manufacturers in the supporting industry engaged in supplies of parts and components to large corporations and multinational companies.

S46 Party Distances Itself From PAS Party

BK1302145195 Kuala Lumpur UTUSAN MALAYSIA in Malay 12 Feb 95 pp 1, 2

[Report by Siti Hatija Yusof]

[FBIS Translated Excerpt] Kuala Lumpur 11 Feb.—The Semangat 46 [Spirit of 46] (S46) Malay party has decided to draw up a separate manifesto for the upcoming general elections as an effort to indicate that it has distanced itself from problems the PAS [Pan-Malaysian Islamic Party] is currently facing.

By undertaking such a step, the coalition of opposition parties in the Gagasan Rakyat [People's Initiatives] and the Angkatan Perpaduan Ummah [Islamic Solidarity Front] (APU) is currently on the brink of collapse.

Prior to this, the DAP [Democratic Action Party] had officially declared its withdrawal from the Gagasan Rakyat. Apart from the S46, the DAP is also a major component in the coalition. Meanwhile, the S46 party, which has other connections with the PAS in the APU, believes that the PAS will become a burden or liability for the party during the upcoming general elections.

The S46 party sources told this newspaper that the arrest of Maohamed Sabu, deputy chairman of the PAS Youth Wing, for alleged khalwat [close proximity with members of the opposite sex], was a great blow to the credibility of the party, which strongly upholds Islam.

The sources stated that S46 does not want to be dragged into the controversy. They said that despite the issue being PAS's own internal affair, it reflected very badly on the APU.

The PAS is facing difficulty in explaining the situation to its members, constituents, and other Malaysians because of the moral implications.

The sources said: "All sectors were surprised over PAS's handling of the issue, including us. PAS has turned it into a road show [preceding two words in English] to protect its leaders. For us, this is not only in contradiction of the principles of justice but has also belittled the court."

The S46 party considered that as a result of the Mohamad Sabu case, it would be in a safer position and more confident if it had no connections with the PAS. [passage omitted]

Cambodia

Officials Agree To Set Up Border Commission

BK1402124295 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 14 Feb 95

[FBIS Translated Text] Representatives of the Thai and Cambodian Governments have clearly stated that the two governments have agreed to set up a coordinating border commission.

His Excellency [H.E.] Sathip Krairoek, Thai ambassador to the Kingdom of Cambodia, said on 13 February that he had put forth a proposal on the matter and that the Cambodian side had already agreed to it.

H.E. Tie Banh, cominister of Cambodian national defense, said he had adopted the proposal and that the Cambodian side is already prepared to implement it.

H.E. Sathip Krairoek said the commission will inspect five or six unofficial liaison offices along the two countries' common border soon.

The two officials further said that the commission will set up its coordinating offices along the border up to the southern part of Koh Kong Province. It is expected that the offices will be able to solve some internal problems, such as illegal border crossing, smuggling, banditry, and also ensure border security.

Minister on Lao Involvement in Illegal Logging

BK1502063095 Phnom Penh PHNOM PENH POST in English 10-23 Feb 95 pp 1, 9

[FBIS Transcribed Text] Lao loggers have been illegally felling trees on Cambodian soil—allegedly with the connivance of Lao soldiers—sparking high-level discussions between the two governments.

A Cambodian delegation including Minister of Agriculture Tav Senghuo visited Vientaine in January to raise the issue.

Senghuo told THE POST that he had heard that Lao military personnel had been involved, though it was possible they were rogue soldiers or civilian gunmen.

Secret logging near the Laotian border was believed to have been going on since before UNTAC [UN Transitional Authority in Cambodia] days, he said, but it was not clear how big the current operation was.

Senghuo said the Lao Government had agreed to cooperate with Cambodian officials to combat such logging and smuggling along the border.

"I hope we would stop the illegal logging if the Lao Government would be loyal on the issue.

"I have already ordered my staff to confiscate all timber and logs cut without approval.

"But... we have had some problem with various gunmen in the forests protecting their logs."

He said he did not know if the loggers were working in cooperation with local Cambodian authorities, or whether the logs passed through official Lao border checkpoints.

Cambodian firms were also conducting logging near the border. Three of the four firms involved did not have approval to log, he said.

The government did permit some logging in the area, and had recently contracted a Lao firm to import already cut logs before a Cambodian ban on timber exports took effect on April 30.

Nhim Vanda, special envoy of the Cambodian co-Prime Ministers and president of the Timber Export Committee, is understood to have been among a delegation of officials who visited illegal logging areas in the past three months. He refused to comment, saying he had handed the issue over to other people.

THE POST has been told that the logging has been conducted as far as 4 km inside the Cambodian border in Siem Pang District of Stung Treng Province.

A source alleged that local companies and authorities were involved in the scheme, and the Cambodian Government was reluctant to raise the issue publicly for fear of jeopardizing relations between Cambodia and Laos.

It is understood that Cambodian state television TVK visited the area some months ago, and found what appeared to be a camp of Lao soldiers on Cambodian territory.

TVK were instructed by Cambodian officials not to film the soldiers.

Illegal logging by foreign firms has been a long-standing complaint of the Cambodian Government, but most often regarding Thai firms working along Cambodia's western border.

Li Thuch, under secretary state of the environment—whose recent comments about Thai involvement in logging and mining drew a sharp response from the Thai Government—said such action was endangering Cambodia's environment.

"If the government does not take strong measures against this logging, we will have a big problem with Cambodian wildlife."

Stung Treng is one of Cambodia's most heavily forested provinces with logging-related activities the primary source of income there. The province maintains a large ethnic Lao population whereby in many villages, Lao is the dominant language.

KR Under Siege Near Preah Vihear Temple

BK1502065595 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 15 Feb 95

[FBIS Translated Text] General Nhoek Bunchhai, deputy chief of the Army General Staff, told reporters on 13 February that some 60 Khmer Rouge [KR] guerrillas occupying a position near Preah Vihear Temple, part of Cambodia's national heritage, have not received new food supplies for three months and they will probably go hungry next month. He added, however, that government forces will not attack them because the operation might damage the hilltop temple, situated 200 meters from the border with Thailand. The Cambodian Government has received a guarantee from its Thai counterparts that the Thai Army will not allow food supplies or war materiel to be channeled across the border to the rebels.

Last week, Siem Reap Governor Toan Chay said in a telephone interview that government troops had captured Khmer Rouge positions in the peripheral areas of the Anlung Veng command post near Trapeang Tao and Sre Noy.

Ranariddh Ridiculed on Loss of Border Post

BK1502041295 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 14 Feb 95

[Unattributed commentary: "Ranariddh Threatens To Sack Nhoek Bunchhai for Losing Rumchang"]

[FBIS Translated Text] I. At 0500 on 31 January hundreds of soldiers of the National Army of Democratic Kampuchea in cooperation with the people attacked and completely controlled Rumchang, Ku, Thmar Don, Prey Veng and the surrounding area, which used to be the Para [anti-Vietnamese non-Communist resistance forces] city of Ranariddh, the puppet of the Americans. On 4 February Ranariddh went to Ampil by helicopter with Nhoek Bunchhai [Khmer Royal Armed Forces First Deputy Chief of Staff] and [4th Military Region commander] Khan Savoeun. The objective of Ranariddh's trip to Ampil was to muster the few remaining troops and use them to defend Ampil and, if possible, to recapture Rumchang City and the lost region.

As Ranariddh emerged from the helicopter, he was immediately mobbed by a large crowd of wounded and disabled soldiers, their wives, and their children, who demanded their back pay and entreated him for rice and salt to eat. Sensing danger, Ranariddh hurriedly retreated to the helicopter and flew away.

II. It is because of this aforementioned loss that Ranariddh has become so frightened. He had placed his hope on Nhoek Bunchhai, who kept giving him one assurance after another. However, once having lost Rumchang, Thmar Don, Prey Veng, and the surrounding area forming Ranariddh City, Ranariddh has had difficulty composing a smiling face, whether toward the foreigners, his fellow Cambodians, or the two-headed elements. For this reason, Ranariddh summoned Nhoek Bunchhai and threatened to sack everyone, including Nhoek Bunchhai himself, Khan Savoeun, and the commanders of the 3d and 9th Divisions, if they failed to retake Rumchang and the region.

Nhoek Bunchhai, who was a border thief, has had no combat experience at all. What he did was to kowtow to Ranariddh and beg for forgiveness. However, other division commanders, such as Poun, Ton, Khorn, Yean, and Born, said that no Cambodian commander can defend Ranariddh City because, in the process, he will have to fight to defend [as heard] Rumchang and will need to try to reopen Route 68 and control its eastern part while receiving no food supplies and suffering from many other hardships. His men will be killed or wounded by mines, punji stakes, booby traps, and sickness. He will lose four to 10 men everyday. Each division is made up of three lieutenant generals, five major generals, four to five brigadier generals, 10 to 20 colonels, and just over 100 rank-and-file soldiers, and with not even a cent in the purse. Therefore, they said, Ranariddh should come and try to retake Rumchang City himself because Ranariddh has betrayed FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and ANKI [Independent Cambodia's National Army] and has abandoned Rumchang City for a long time. Everyday the soldiers, their wives, and their children have threatened to kill Ranariddh on sight.

All of this is the result of Ranariddh's treachery in selling the nation. This is reflected in the anger displayed by the former ANKI soldiers and their wives and children. It shows Ranariddh's total alienation from the nation, the people, FUNCINPEC, and ANKI since becoming a lackey of the Hun Sen-Chea Sim clique, communist Vietnam, and the alliance. And everybody knows that a traitorous, nation- selling lackey of the foreigners is fated to be buried by the nation and people in the deep pit reserved for traitors .

PDK Issues Statement on Defector

BK1402120595 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 13 Feb 95

["Statement" issued by an unidentified spokesman of the Party of Democratic Kampuchea on 13 February; place not given—read by announcer]

[FBIS Translated Text] The war of the aggressor communist Vietnamese, alliance, and two-headed nation-selling traitors is aimed at torturing a child to hurt the parent.

The aggressor communist Vietnamese, alliance, and two-headed elements are the war criminal chieftains; they are the criminal chieftains against humanity.

In the past few days, some foreign radio stations have carried deceitful reports concerning Sar Kim-lmut's trip to Phnom Penh under the two-headed regime of traitors.

The spokesman of the party of Democratic Kampuchea [PDK] would like to explain to the national and international public about the case of Sar Kim-lmut so that they understand the real situation in which Sar Kim-lmut has become a victim of the war of the communist Vietnamese, alliance, and two-headed traitors in line with their psychological warfare, war of nerves, and other sorts of warfare waged by the enemies of our Cambodian nation and people, chiefly by communist Vietnam and France, and particularly by the French intelligence agency DGSE [General Directorate for External Security] and French intelligence chief (?Amisec) and other elements as follows.

1. The struggles waged successively by the Cambodian nation and people have recorded Sar Kim-lmut as a regularly staunch compatriot who has been faithful to the people for decades. He has correctly and splendidly fulfilled his patriotic struggle tasks with a lofty sense of responsibility.

2. In his trip to Phnom Penh, Sar Kim-lmut has no conflict whatsoever with Democratic Kampuchea [DK], nor with any individual nor any resistance forces. He has the firm belief in the struggle conducted by the Cambodian nation and people and DK against the aggressors of all generations, especially the aggressor Vietnamese enemy and traitorous two-headed group to save the nation, defend the nation and people, and prevent the Cambodian race from being exterminated as Kampuchea Kraom. He is very proud of his life of patriotic struggle. He does not want to be an out-and-out lackey of communist Vietnam, the communist Vietnamese puppets, and the alliance. He wants Cambodia and the Cambodian people to enjoy independence, peace, neutrality, and the right to self-determination as all our nation and people do.

3. The question that needs to be explained is: Why has Sar Kim-lmut gone to Phnom Penh?

The answer is as follows:

The root cause is that Sar Kim-lmut, like the entire Cambodian nation and people, has been victimized by war. That is, the war of communist Vietnam, UNTAC [United Nations Transitional Authority in Cambodia], alliance, and two-headed traitors. He has fallen victim to this war, which includes the military, political, psychological, nerve, economic, and all other forms, fields, and aspects of warfare, waged by the old and new enemies of our nation.

The sequence of this story is as follows:

Sar Kim-lmut has four children—two sons and two daughters.

After the communist Vietnamese enemy's invasion of Cambodia, his two sons and the elder daughter were bullied and tortured mentally and spiritually by the aggressor communist Vietnamese and French alliance by seducing them with an erotic and immoral atmosphere in France. That was the first major stage of the enemy's torture imposed on the older children of Sar Kim-lmut. He then struggled against the enemy, especially with his mind and consciousness. The chief protagonists were French intelligence chief (?Amisec) and the French intelligence agency DGSE, the allies of the communist Vietnamese aggressors against Cambod?a.

His youngest daughter was living with him and his wife. Later, the communist Vietnamese enemies and the French chief satan arranged for his children, who had been seduced mentally and morally in France for several years, to get in touch with and write countless letters to his youngest daughter who was then studying abroad [as heard], inciting her to insult the resistance forces, especially her own father, every day in an attempt to liquidate Sar Kim-lmut mentally, emotionally, and politically.

The youngest daughter did not listen to her parents' sage advice because she was mentally and spiritually bullied by the French intelligence agency and her elder brothers and sister all the time. This constitutes another torture inflicted by the ferocious enemies on Sar Kim-lmut.

In mid-1994, the French satanic group and the communist Vietnamese enemies devised the dirtiest and most stinking trick by abducting and holding Sar Kim-lmut's youngest daughter as a hostage in Phnom Penh. They seized his daughter with the goal of killing him. This is the maneuver that all of them have employed endlessly throughout the world's and Cambodia's history. This is the most cruel, barbarous, fascist segregation, shattering love and sentiment between parents and children. Who has severed the relationship? It is the group of arch-aggressors, including the communist Vietnamese invaders, the alliance, and the traitorous two-headed elements, that has severed the union, inflicted the persecution, and carried out the mental and emotional torture. Their action is carried out according to their warmongering, inhuman, immoral, and fascist nature of being careless about human rights and democracy.

It was the extreme emotional torture that forced Sar Kim-lmut to travel to Phnom Penh to look for his youngest daughter. The poor man only realized that it was the enemies who cajoled his youngest daughter into going to Phnom Penh after he had endured mental and emotional suffering day and night for three or four months.

While staying in Phnom Penh for three months, he hid himself from the two-headed elements with the hope that he could bring back his daughter. However, he was living in the cage and mouth of a tiger and the demon claw of the communist Vietnamese enemies, the communist Vietnamese puppets, and the satanic alliance. It is reported that they harassed and threatened him at will. They also bargained with him over his life and terms of a surrender. They used to employ this method to put pressure on and order around Prince Uppak-yuvareach [Sihanouk's former title], the prince head of state, and the prince head of the Coalition Government of Democratic Kampuchea between 1987 and 1990 and beyond.

In France, they threatened the prince and asked him to follow them, repeat after them, and copy out what they wrote. The same thing also happened to the prince when he was in Bangkok. As for intellectuals, like Sar Kim-lmut, the enemies do not hesitate to put pressure on them and threaten them at will. They repeatedly continue the harassment until the victim dies as a patriot or surrenders to them.

This is a universal experience that has occurred both in Cambodia and other parts of the world. In the Vietnam war between 1960 and 1973, such cases were countless. It was also the same during World Wars I and II and the French Resistance between 1941 and 1945. Even Mitterrand, the present French president, was involved in the intelligence war. The same thing also happened during the Algerian war, and so on. Therefore, the Sar Kim-lmut case is not unusual or isolated.

It is war that is the root cause of all problems concerning a nation, a large or small society, a family, and military, economic, social, psychological, mental, political, and emotional war, and so on. Those who provoke war have constantly waged all these kinds of wars against which the nation, people, and resistance forces have to fight persistently.

Talking about the communist Vietnamese war of aggression and the war conducted later by UNTAC, the alliance, and the two-headed elements for over 16 years, it is a battle between all manner of enemies and the nation, people, resistance forces, and the fight for life and death on all kinds of battlefields. All in all, during the contest of over 16 years, our nation, people, and resistance forces have managed to defend the nation, people, and race successfully. We always have an advantage over the enemies. Old and new enemies have been defeated one after another. Look! Communist Vietnam, UNTAC, the alliance, and the two-headed elements are being defeated and bogged down helplessly.

Who are arch-war provokers, arch-assassins, and arch-criminals against the Cambodian nation, people, and [word indistinct]? They are:

1. The communist Vietnamese aggressors, who are exterminating the Cambodian race according to their strategy of chipping away at and turning the present Cambodia into a second Kampuchea Kraom.

2. UNTAC, which colluded with communist Vietnam to kill the Paris accord and the Supreme National Council and maintain the communist Vietnamese aggressor forces in Cambodia.

3. The alliance, which is made up of arch-imperialists and colonialists and used to invade other countries and massacre the Third World's people to devour their flesh and suck their blood.

4. The out-and-out communist Vietnamese puppets and the traitorous two-headed elements, with Hun Sen, Chea Sim, Ranariddh, and Sar Kheng as ringleaders, who serve the war of communist Vietnam and the alliance.

They are all arch-criminals and assassins whose hands are stained with the blood of the peoples of Cambodia and the Third World.

The Sar Kim-lmut issue is a case among other countless problems that are the consequences of the war. It is always the same in the past, the present, and in the future.

This is the concrete experience and lesson from the struggles carried out by our Cambodian nation and people and by other resistance forces in the world for many generations and centuries. The struggles will certainly continue without end.

This is also the law of a permanent struggle between the aggressors and oppressors on the one hand and the countries and peoples who are victims of the aggression and oppression on the other. The perennial truth is that struggle between the oppressors and the oppressed and between the nations and peoples who demand national independence, peace, and rights to self-determination and the big and small war criminals and the criminals against mankind will continue forever.

Finally, who are the arch-war criminals and assassins that have inflicted disaster on mankind? They are communist Vietnam, UNTAC, the satanic alliance, and the traitorous two-headed elements, which have sold out and killed the nation. It is absolutely not the resistance forces and the Cambodian people. The Cambodian people and resistance forces are gold and diamonds that shine eternally. As for the criminals, they are all satan and demons who will be defeated by Lord Buddha and eventually engulfed by the earth.

[Dated] 13 February 1995.
[Signed] PDK spokesman.

Further on Sam Rangsi's Dispute With CDC

BK1502062895 Phnom Penh PHNOM PENH POST in English 10-23 Feb 95 p 2

[FBIS Transcribed Text] Another player has publicly joined the verbal war of words against outspoken MP Sam Rangsi—Cambodia's investment body, the Cambodian Development Council [CDC].

The council issued an extraordinary and rambling condemnation against Rangsi on Feb 2, faxing it to all concerned media. The press statement accuses Rangsi of leaking a confidential Royal Government contract to the press. It said: "...Mr Rangsi tries to manipulate the public opinion and to blatantly encourage the leakage of confidential information to the media."

The statement went on the extol the virtues of the "renaissance" of Royal Air Cambodge [RAC]—indicating it was the RAC contract that Rangsi leaked.

The PHNOM PENH POST was one to which the RAC document was originally leaked—and it was not done by Rangsi.

One source close to the CDC office said he regretted the press statement and was aware of concern among media circles that Rangsi was not the "culprit."

The author of the CDC statement is understood to have been secretary general Vichit It.

Rangsi was quick to reply to the statement, that also accused him of having formerly had an anti-Thai attitude, and that he "seems to campaign now against established Malaysian investors."

"These are baseless and unjust accusations against a Member of Parliament. I wish to clarify that I have never opposed Thai or Malaysian investors," Rangsi said in a letter to National Assembly Chairman Chea Sim dated on Feb 4.

Rangsi, in the letter, requested the Royal Government to respond to his statement dated Jan 30, that asserted the joint venture with Malaysian Helicopters Services to set up RAC violated at least four articles of the constitution and "must be annulled."

He added that the CDC further accused him of having caused foreign investors to lose confidence in Cambodia and of stirring up confusion in public opinion.

"I do not make judgments on Thais, Malaysians or indeed any other nationality... My only desire is to protect Khmer interests and I would like to request the Royal government to strive to find and choose investors who know how to respect Khmer interests, laws and customs," he wrote.

Rangsi added: "Through Samdech Chairman, I wish to request the Royal Government to cease making personal accusations against me any more, saying I desire this or that."

Rangsi asked Chea Sim to request the government to explain five other contracts "so that the National Assembly can closely examine them and further request that the Royal Government clarify the contracts' legality... and the advantages... which these contracts will provide to Cambodia."

The five companies are identified as: Leader Universal Holdings, concerning electricity production; Samling Corporation, concerning forestry exploitation; Muhibbah Masterton, concerning the construction of Pochentong airport; Ariston, concerning the construction of a casino and other infrastructure in Sihanoukville; and FACB, concerning the building of golf courses, the transport system and certain other tourist projects.

"These contracts are public contracts affecting national interest which the Royal government can not hide under confidentiality... The Royal government should provide detailed information concerning the commissions or tips which have been received from the companies above."

"Please, Samdech Chairman, submit my questions and suggestions to the Royal government," Rangsi said.

The CDC has been under mounting pressure to free up the contracts for scrutiny.

The council's key players are all now on an "Investment Roadshow" overseas, attracting more investment above the $2 billion that the council constantly touts as having been approved in just five months.

Phnom Penh business sources say that only a fraction of that money has actually arrived in the country.

The CDC statement accused Rangsi of trying to create doubts in foreign investors' mind by doing his best to provide a negative image of Cambodia and hitting at foreign investors.

"If Mr. Sam Rangsi keeps his habits of hitting at foreign investors, Cambodian people from rural areas and newly young graduated students will hardly have the chance to get jobs with proper salaries and training in the years to come," it said.

The CDC also complained that "a responsible MP, with high regard towards democracy and integrity and who wishes to check the constitutionality of RAC would have gone through the normal democratic process."

One source close to CDC lamented that the public slugging match deflected people from seeing the good things that the council had achieved.

Indonesia

Official Claims Islands Disputed With Malaysia

BK1502085095 Jakarta THE JAKARTA POST in English 15 Feb 95 p 1

[FBIS Transcribed Text] Jakarta (JP)—The Ministry of Foreign Affairs strengthened yesterday its claim on Sipadan and Ligitan, two small islands off East Kalimantan currently being disputed by Indonesia and Malaysia.

"Our maps have always incorporated the two islands, but they (Malaysia) only started to put Sipadan and Ligitan on their maps in 1969," Director General of Political Affairs Izhar Ibrahim told a hearing with the House of Representatives.

Izhar pointed out that Malaysia's claim over the two islands only came after Indonesia reasserted its ownership in 1967.

Two years later, Malaysia put Sipadan and Ligitan on its maps as part of its territory and in 1983 enforced its claim through a state law.

"This shows that before 1969, Malaysia had no objection to our claim over the islands. This is our trump card," he said in response to questions from Commission I [Roman numeral one] legislators, who deal with foreign policy and national security.

Press reports from Kuala Lumpur this week suggested that Malaysia was considering a new protest after learning that Indonesia had incorporated the two islands in its latest maps.

"The new map is only a redefinition or confirmation of the previous one now that we have the law of the sea as a reference," Izhar said, adding that Indonesia had not received any formal Malaysian protest.

Indonesia's map is based on a 1891 agreement between Britain and the Netherlands, the respective colonial rulers of Malaysia and Indonesia, which recognized the two islands as part of Dutch territory, or present-day Indonesia.

The latest round of talks to resolve the sovereignty of the two islands last June ended in a stalemate. Malaysia suggested arbitration through the United Nation's International Court of Justice but Indonesia insisted that the matter be resolved through the ASEAN's high court—an institution that to this day has never been put to use.

Legislators at the hearing questioned Izhar about Indonesia's refusal to go to the UN court, to which he replied: "It's not that we are afraid, but we feel that there is still a chance of solving the issue bilaterally or informally."

* Paper Comments on Foreign Policy in 1995

95SE0095C Jakarta KOMPAS in Indonesian 8 Jan 95 p 8

[Unsigned editorial]

[FBIS Translated Text] In 1995, President Suharto, as chairman of the Nonaligned Movement (NAM) and ASEAN, will be one of the leaders most often traveling overseas. His busy schedule shows how very active Indonesia's foreign policy is, especially since 1992.

President Suharto should have attended the UN Security Council Summit Conference this January, but the meeting was canceled because of the busy schedules of other world leaders. It is not clear whether the summit conference will be held in October, when the United Nations reaches the age of 50. It is certain that Indonesia, as a nonpermanent member of the Security Council, must take initiatives for restructuring the United Nations, especially when it becomes our turn to be Security Council president (probably about the middle of this year).

As chairman of the NAM, President Suharto will definitely attend the World Social Development Summit Conference in Copenhagen (Denmark) from 6 to 12 March. This will be the first opportunity for world leaders to discuss issues of poverty, jobs, and other social problems that cross borders of national sovereignty.

It is also definite that the president will attend the 11th NAM Summit Conference, which will be held in Cartagena (Colombia) from 6 to 8 November. There, Indonesia will surrender the NAM chairmanship to the president of Colombia. Also in connection with the NAM, President Suharto is naturally expected to attend a summit conference of the Group of 15 in Buenos Aires, Argentina.

Unrelated to the NAM, President Suharto will, of course, attend the Fifth ASEAN Summit Conference to be held in Thailand on 14 and 15 December. He will also attend the Third AELM [Asia Pacific Economic Cooperation Economic Leaders Meeting] in Osaka on 19 November to follow up the Bogor Declaration.

Foreign Minister Busy

Foreign Minister Ali Alatas will also be kept busy with a series of important meetings. On 9 January, he will begin 1995 with difficult talks, namely the fifth three-way dialogue among Portugal, Indonesia, and the UN secretary-general in Geneva. Everyone knows how difficult it is to establish "confidence-building measures" between Indonesia and Portugal for the sake of resolving the East Timor issue.

Talks with Portugal are indeed difficult, although under the auspices of the UN secretary-general. Alatas says the "original content" of the dialogue is to reach a comprehensive and just resolution that can be accepted internationally. He laments that Portugal still stands on its position of not recognizing the integration of East Timor into Indonesia.

Indonesia, according to Alatas, has offered several compromise adjustments, especially Indonesia's willingness to internationalize the East Timor issue by bringing it to the United Nations. The fact is, all the adjustments Indonesia has made are not enough to make the United Nations recognize East Timor as an area under Indonesian sovereignty. The biggest job of DEPLU [Department of Foreign Affairs] is to change this bitter reality, in other words, to find a way for East Timor to be recognized as Indonesia's 27th province.

This job became harder after the incident in Dili on 12 November 1991, which became a setback for what Indonesian diplomacy had previously achieved on the East Timor issue.

In NAM affairs, DEPLU will be kept busy with the minister-level conference to be held in Bandung in April. The conference will also have other significance, for at the same time there will be a commemoration of 40 years since the Asian-African Conference.

Also, at the 28th ASEAN Ministerial Meeting and the ASEAN Post-Ministerial Meeting at Bandar Seri Begawan (Brunei Darussalam) from 28 July to 2 August, the foreign minister will accept ASEAN chairmanship. The importance of those meetings will be in the giving of substance to the ASEAN Regional Forum (ARF), a vehicle for the discussion of political and security issues in the Asia Pacific.

It needs to be mentioned briefly that it is probably time to seek adequate modalities for triggering the work of ARF. There are already action programs for concepts like ZOPFAN [Zone of Peace, Freedom, and Neutrality], or an ASEAN nuclear-free zone, but are those programs enough to attract the interest of dialogue partners outside ASEAN?

Remember Neighbors

Bilateral relations with neighboring countries also need attention.

Indonesia is involved with Malaysia in a "sibling rivalry" that apparently has no end. Malaysia's attitude of distrust is reflected in its plan to oppose any possibility that Indonesia might become a permanent member of the UN Security Council. Malaysia also feels very much at fault and very afraid in facing talks on the Sipadan-Ligitan dispute.

Singapore, although constantly trying to build good relations, still considers Indonesia a threat to security. That feeling of being threatened is compensated for by the readiness of its sea and air weaponry, which is aimed primarily at the waters of Sumatera and Kalimantan.

The Philippines were clearly slapped in the face by Indonesian diplomatic "provocation" following the plan for an international conference on East Timor. Fitting comment was made by the Thai newspaper THE NATION when it said the provocation reflected the high-handed attitude of an older brother who always wants to twist the arms of his little brothers.

Australia also always feels threatened and considers Indonesia to be a threat from the north. Several defense "white papers" have produced that worry, whether directly or not.

Nevertheless, neighbors are usually the first ones to come to a house when there is disaster.

Official: Foreign Press 'Manipulated' Shooting

BK1302150895 Jakarta ANTARA in Indonesian 1027 GMT 13 Feb 95

[FBIS Translated Excerpt] Dili, 13 Feb—J. Haribowo, deputy governor of East Timor, has expressed regret that some quarters have manipulated a news report on the shooting of six Fretilin [Revolutionary Front for an Independent East Timor] members in Liquisa in January.

"These people clearly belong to the Fretilin group, but some people, especially the foreign press, have exaggerated the report by saying that ordinary citizens were slaughtered by the security authorities," he said to ANTARA in Dili on Monday. Haribowo made the remarks after he opened an environment management training program for first and second-echelon state planning officers.

Reports from members of the public and the local district chief said the six people are Fretilin members who have mixed with the masses. Their activities included providing logistics support to Fretilin remnants still operating in jungles near Fatelo village, Maubara subdistrict, Liquisa district. [passage omitted]

He said security authorities will never shoot people without clear reason. Besides, before security authorities opened fire, they first ordered the six men to surrender, but the men instead replied with gunfire. If the six men were indeed ordinary citizens, they would never have resisted, let alone with firearms. "People in this area do not have firearms, so the six men must be Fretilin supporters operating in the area." [passage omitted] THIS REPORT MAY

East Timor Governor on Shootings, Investigation

BK1402154695 Jakarta THE JAKARTA POST in English 14 Feb 95 p 2

[FBIS Transcribed Excerpt] Jakarta (JP): As two separate investigations into the killings of six East Timorese in the Liquisa regency are under way, senior East Timorese officials are sticking to their version that the six were all members of an armed rebellion group.

East Timor Governor Abilio Jose Osori Soares, who said he would rather wait for the outcome of the investigation before commenting further, pointed out yesterday that the area where the January 12 killings took place was infested with Fretilin [Revolutionary Front for an Independent East Timor] rebels.

He said the size of Fretilin is now put at around 100 and that they live in the regencies of Ermera, Maliana, and Liquisa.

Abilio, who is in Jakarta to take part in the National Awareness course at the National Resilience Institute, told reporters that the preliminary report from the local district military commander suggested there were armed encounters between the troopers and the six East Timorese.

"Whether there were indeed armed clashes and whether the six were Fretilin members, is still being investigated," he said.

The Armed Forces (ABRI) has launched an investigation into the killings after local East Timorese, including Roman Catholic church leaders, suggested that the six were unarmed civilians.

Minister-State Secretary Murdiono said on Saturday that ABRI chief General Feisal Tanjung had admitted that some soldiers acted beyond normal procedure during the incident.

ABRI has also promised to discipline its members, court-martialing them if necessary.

The Jakarta-based National Commission on Human Rights has also sent a fact-finding mission to East Timor to conduct its own investigation.

While Abilio's comments were more restrained in view of the on-going investigation, his deputy, Vice Governor Haribowo, speaking in Dili yesterday was more forthcoming in defending the military's action. [passage omitted]

Backing of 'Ninja Gangs' Debated

BK1502105795 Jakarta THE JAKARTA POST in English 15 Feb 95 p 4

[Editorial: "Enter the Ninja"]

[FBIS Transcribed Text] For many film action buffs, the title may sound like it belongs to another of those cheap Hong Kong- produced kung-fu But for thousands of Dili residents, the black- hooded ninja is not a character that jumps off the silver screen, the ninja is a phenomenon that has brought nightmares into their sleep every night.

As reported by the press, for the last couple of weeks men dressed in black hoods like the 19th century Japanese ninjas have reportedly been roaming the city at night, terrorizing the people, forcing the stores to close down, emptying the streets by twilight, and turning the East Timor capital of Dili into a ghost town after dusk. There have been reports that these mysterious people have stoned houses, overturned vehicles and beaten people.

The mysterious ninja gangs, from some people's accounts, are believed to be linked to the military authorities, whose sole purpose is to allegedly spread panic among the anti-integration forces. Feeling threatened, the terrified residents have reportedly mobilized themselves and formed vigilante committees to fight against the ninjas. They have armed themselves with sticks and machetes to guard their villages and patrol the streets.

Several ninja gang members have reportedly been captured and beaten. According to some residents, these men have confessed that they were hired to terrorize or abduct dissidents.

On the other hand, the military authorities have categorically denied the allegations. East Timor Army spokesman Major Leadan Simbolon, for instance, said that the so called "ninja" groups are in fact East Timorese who oppose East Timor's integration into Indonesia and are targeting pro-integration Indonesians. He said last weekend that his own car had been stoned by these gangs and that a motorcycle belonging to a security officer had been buried.

East Timor's Governor, Abilio Jose Soares, has said he believes that reports about the mysterious ninjas were being cooked up by the clandestine group, Fretilin [Revolutionary Front for an Independent East Timor], in an attempt to frame the people who support the Armed Forces. Last weekend, Deputy Governor J. Haribowo said that the "ninja" scare was part of the rivalry between the two camps with differing opinions on the integration of East Timor into Indonesia.

Since the officials have yet to make any arrests among the masked gangs, one cannot be sure which version holds most weight. All that one can easily deduce is that the moment Dili residents are psychologically tense, verging on a state of panic. In such a situation, rumors will turn into shadows, which will easily loom larger as the days pass. Over-dramatizing, followed by over- reaction, will then become the order of the day.

In the last several years we have suffered innumerable instances of discomfort in East Timor, our 27th province, which was once called a "pebble in the shoe". Some of these aches and pain have been due to their own mistakes, and there reports of "ninja" certainly will not help our case in the international arena. We also know that in the last several years the dwindling Fretilin armed resistance movement has changed tactics and resorted to urban guerrilla warfare, capitalizing on any disappointments and unrest. Economic and social issues have provided ample jumping off places for these people, thus there is always the possibility that the "ninja" scare is part of their new strategy.

But, we are also aware that some "irregularities" are still occurring in this province. The latest, the killings of six alleged Fretilin members last January, even prompted the Armed Forces Chief Feisal Tanjung to send a team to investigate last week. The national Commission on Human Rights is also reportedly planned to send members to conduct similar inquiries.

Hence, the faster this "ninja" sequence is cleared away the better. The local authorities should take firm and drastic measures to clarify the issue and punish the gangs. For surely, none of us would want to see a black-hooded ninja creeping up on us.

* East Timorese Caught on Way to Australia

95SE0095B Jakarta KOMPAS in Indonesian 5 Jan 95 p 5

[FBIS Translated Text] Jayapura (KOMPAS)—Three East Timorese youths who tried to flee to Australia via Sorong were arrested on 28 December at about 2000 hours. Major General I Ketut Wirdhana, commander of KODAM [Military Area Command] VIII/"Trikora," covering Maluku and Irian Jaya, said this to reporters in a "morning coffee" program at KODAM VIII Headquarters Auditorium on Wednesday, 4 January.

The three youths, Lino Guteres (23), Yose Da Costa (26), and Luis Pinto (19), who were members of the East Timor soccer team, had visited Sorong to play the host team there. "After the East Timor team went home, however, they stayed in Sorong," added Colonel (Infantry) Iping Somantri, assistant for intelligence at KODAM VIII, who accompanied the PANGDAM [Military Area commander].

With the help of I.B., a regional government employee at Sorong, they obtained KTP's [resident identification cards] for the purpose of getting good-behavior documents, birth certificates, and passports to be used in fleeing to Australia. "Lino became Suryono. Yose became Melky Frans, and Louis used the name of Jhon Clemens on his KTP. They did not have the chance to leave Sorong, and, thanks to help from other agencies, the three youths were apprehended," he said.

It is strongly suspected that one of them had been a detainee. "It was a result of participation in an anti-integration demonstration in Dili," Iping explained.

Their case, which is a violation of law, is now being processed and will subsequently be handled by the "Udayana" KODAM. "The objective is to get more complete data," the PANGDAM said.

Do Not Dream

As for the OPM (Free Papua Organization), the PANGDAM warned that activists or followers should immediately take part in the dynamics of development, especially in giving meaning to the independence of the Republic of Indonesia, which becomes half-a-century old next 17 August.

"They should not dream any more of setting up their own country, for Irian Jaya was freed from oppression and made one with Indonesia in 1969. The United Nations also recognized this," said the former commander of the 2d Division of KOSTRAD [Army Strategic Command] in Malang.

Also, do not dream of being a minister or president, because being merely a village chief is not an easy job. How much more the job of a minister or president? "If you run into the jungle, however, you can be a combat commander or a minister. You will be the minister of crocodiles in the jungle," he said, to which reporters responded with a burst of laughter.

"If a person wants to be a minister or other official, he naturally has to be equipped with knowledge. Under independence now, a person from Irian can study anywhere. To do that, he must be able to compete with other citizens. Thus, it is not a case of simply being jealous because of one's own deficiencies," he said.

Come to Senses

The two-star general also said that the number of OPM terrorists continued to decline through 1994. "If they are counted by the number of their miscellaneous weapons, the total number at this time is 86. If there is one rifle for three people, their strength is now only in the 300's," he said.

Increasing numbers of members or followers are returning to the community. "Yes, that is what we want. They are coming to their senses. We will not launch any further armed operations. In fact, if possible, they will be exempt from punishment, if they have not violated the law," he declared.

Although many have returned to their communities, some OPM terrorists are in Papua New Guinea [PNG]. "Even there, they are being pursued by PNG security forces, because our ties with PNG are very good. Clearly, however, we are not going to pursue them over there," Wirdhana said.

Commander Says Army Below Ideal Strength

BK1502010295 Jakarta THE JAKARTA POST in English 14 Feb 95 p 1

[FBIS Transcribed Excerpt] Jakarta (JP)—The strength of the Indonesian Army is still below an ideal level, given its immense task to defend the nation and maintain security and order in the huge archipelago, Armed Forces [ABRI] Chief General Feisal Tanjung said yesterday.

"The army's force has not reached the required standard level if compared to the large size of territory, population and state assets that have to be protected," Feisal said during a ceremony to mark the transfer of duty of the army chief of staff from Gen. Wismoyo Arismunandar to Gen. R. Hartono.

"Its current strength is only sufficient to fulfill the real needs of the army, be they in personnel, procurement of new weapons and other supporting facilities," he said at the military ceremony at the army headquarters on Jalan [road] Merdeka Selatan.

Feisal underlined that the chief task of the army is to maintain the sovereignty over all the land territory of the country.

Besides this the army is also called on to help develop all the potentials of the country, to strengthen national defense and to play an active role in socio-political affairs.

Gen. Hartono, who was ABRI's chief of socio-political affairs, formally took over command of the country's

300,000 strong army yesterday. He became the 18th army chief of staff since it was founded nearly 50 years ago. [passage omitted]

The transfer of duty followed the swearing in of Hartono as chief of staff by President Suharto at the Merdeka [Presidential] Palace in Jakarta on Saturday.

Hartono, whose rank was promoted to full four-star general on February 1, will turn the mandatory retirement age of 55 in June next year. It is still anyone's guess whether his term of service will be extended beyond that. (passage omitted]

Feisal described that the transfer of duty in the army has always been a historical landmark because it reflects continuity in the way the army is managed.

He said to answer to the challenge facing the army given its present size and strength, troops should strive to increase their professionalism by glorifying in the current "moral movement to return to the basics of soldiers."

The "back to basics" concept had been initiated during Wismoyo's term and is expected to be continued by his predecessor.

Feisal said the army must restructure its centers of education and training so that its officers and troops are always ready to carry out their tasks in defense and in politics. [passage omitted]

After the ceremony, Hartono, who was mobbed by reporters, said that one of his immediate task is to form a Military Honorary Council to follow up on the current investigation of the killings of six East Timorese by troopers last month.

Hartono said he would discuss the matter with Feisal, who issued the order last week.

On other issue, Hartono said he would also continue with the program to set up infantry brigades at every regional military command, something which was started during Wismoyo's leadership. [passage omitted]

* PPP Chairman Upbeat on Political Climate

95SE0095A Jakarta KOMPAS in Indonesian 5 Jan 95 p 20

[FBIS Translated Text] Jakarta (KOMPAS)—National political dynamics apparently have improved in the last two years, i.e., in 1993 and 1994, and the political climate is expected to become more stable in 1995. "The Development Unity Party (PPP) feels the same is increasingly true of the viewpoint of the government and ABRI [Indonesian Armed Forces]," Ismail Hasan Metareum, general chairman of the PPP DPP [Central Executive Council], told the press in Jakarta on Wednesday, 4 January, in his annual evaluation of the party whose symbol is the star.

Buya [title of respect for a religious leader] Ismail, who was accompanied yesterday afternoon by PPP DPP Secretary-General Tosari Wijaya and Hamzah Haz, added that the heated political situation in 1994 is not expected to continue to the same extent into 1995. "Even if there is some stir in political dynamics, it will not interfere with national stability," he said. Touching on the government's viewpoint, Buya said that in 1994 the PPP felt there were still differences among government agencies. He feels that these matters have been resolved this year, however, resulting in the hoped-for stability. The same is true, he said, of two of the sociopolitical forces, namely GOLKAR [Functional Group] and the PPP. "Although differences are visible internally, the same is not true from the outside. In other words, there is one viewpoint, one way of speaking, and one way of acting," he declared.

When asked his views on the issues that have marked national politics recently, Buya said calmly that such things are internal problems of the respective organizations. "To ensure integrity and unity and to avoid interference with national stability, everything should be settled in the best possible way on the basis of solidarity," he said.

No PKI

Reporters at the press conference also asked about the "clean environment" [i.e., no family members involved with the Communist Party] issue in the PPP. Buya Ismail said the PPP is confident that its members are sheltered from issues like that.

"Since we see from history that the PPP consists of Islamic community organizations, we are confident that none of our members were categorized as PKI [Indonesian Communist Party]. All the Islamic community organizations that combined to form the PPP can be said to have been uninvolved with the PKI," he said with conviction.

Concerning the anniversary of the PPP's founding on 5 January, which will mark exactly 22 years, Buya said the PPP DPP will celebrate it simply. It will be marked by, among other things, dedication of a prayer room at the PPP DPP offices and recitation of the Koran from midday until evening.

He said the PPP plans to hold regional and branch conferences throughout the country this year. "Regional conferences will begin on 10 January in Central Java, and we hope that by December all regional and branch conferences will have taken place successfully and smoothly," he said.

Tax Incentives To Boost Eastern Development

BK1402162895 Jakarta THE JAKARTA POST in English 14 Feb 95 p 1

[FBIS Transcribed Text] Jakarta (JP)—President Suharto is considering the introduction of new tax incentives to companies planning to invest in eastern provinces of Indonesia, a minister said yesterday.

"The president is considering new incentives, but he said they must not contradict existing regulations," State Minister of Research and Technology B.I. Habibie told journalists after the first plenary meeting of the Council for the Development of Eastern Indonesia at the Bina Graha presidential office.

The council comprises of 13 ministers, including the minister of finance, minister of agriculture and minister of defense and security, as well as senior officials.

Habibie, who is also the executive chairman of the council, said that tax incentives are part of the proposals put forward to the president by the council in the one-hour meeting.

Habibie said that additional incentives are required because development in the country's eastern part is more difficult than its other areas.

"There are many hurdles in developing eastern Indonesia because of its remoteness, which can make it expensive for investors to commence businesses," he said.

Underdeveloped eastern Indonesia has become a major concern for policy makers as well as various observers since it can heighten criticism on regional disparity amid the country's overall impressive economic growth.

Habibie, concurrently head of the Agency for Technology Assessment and Implementation, also said the council's proposals include a temporary tax-free status for companies setting up operations in eastern Indonesia.

"The incentives are expected to spur investors to enter eastern Indonesia. Once their businesses have matured, we can begin imposing taxes on them," he said.

It was only last December when the government issued tax laws, effected in January, which allow investors operating in eastern parts of Indonesia to carry forward losses for up to 10 years.

The other tax incentives offered by the laws include acceleration in asset depreciation of the 20 percent withholding tax on after-tax profits of permanent establishments in Indonesia.

Habibie also said that the council had appointed four task forces to formulate policy proposals on environment, human resource development and technology, infrastructure and institutional development.

The council will also take into account existing regional cooperation with other members of the Association of Southeast Asian Nations in making proposals for the development of eastern Indonesia, he said.

He added that the council has a team of advisors consisting of former governors of provinces encompassed in eastern Indonesia.

Philippines

Review of Defense Treaty With U.S. Urged

BK1502023095 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 14 Feb 95

[FBIS Translated Text] The issue of Chinese intrusion in the Panganiban Reef in the Kalayaan Islands, claimed by the Philippines, continues to heat up. There have been several calls in Congress for a renegotiation of the RP [Republic of the Philippines]-U.S. Mutual Defense Treaty so that the United States can be called on to support the Philippine Government. There is also a call to report the issue to the United Nations Convention on the Law of the Sea. Alex Tinsay has the details:

[Begin recording] [Tinsay] Senator Francisco Tatad has called for the renegotiation of the RP-U.S. Mutual Defense Treaty with the United States because of the issue of the intrusion of PRC forces into the Philippine-claimed side of the Spratly Islands, particularly the Panganiban Reef. Tatad wants to make sure that the treaty supports the Philippines in case China engages the country in a battle over the Spratlys dispute.

Congressman Juan Ponce Enrile urged the Department of Foreign Affairs [DFA] to study all the laws that assert the legal right of the Philippine Government to the Kalayaan Islands. On the other hand, Enrile does not agree with DFA Secretary Romulo's interpretation that the RP-U.S. Mutual Defense Treaty does not cover conflict between the Philippines and the five other claimant countries to the Kalayaan Islands:

[Enrile, in progress in English] ...any attack against any military organization or unit—whether naval, Air Force, or ground force—of the Philippines in any, any part of this (?treaty) area will trigger the operation of the Mutual Defense Treaty, because it will then be considered by the other contracting party as a threat to its own national security and must be dealt with in accordance with its own constitutional process.

[Tinsay] Senate President Pro-Tempore Leticia Shahani said that because of the Chinese intrusion, the Philippines should confirm its territorial limits. According to Shahani, the territorial limits of the Philippines, based on the United Nations Convention on the Law of the Sea, should be registered with the United Nations Secretariat.

Senator Ernesto Herrera said the Philippines should call on the members of ASEAN to condemn China for its violation of international law and show of force in the Kalayaan Islands.

On the government's continued detention of 33 Chinese smuggling suspects arrested in Morong, Bataan, acting Justice Secretary Demetrio Demetria clarified that it is not a retaliatory move. Demetria explained that although Chief State Prosecutor Rodencio Sungog already issued an order to free the 33 crew members of the MV [Motor Vessel] Gong Bian, this was stopped when the Department of Justice ordered a review of the case of the 33 Chinese.

Alex Tinsay, GMA News. [end recording]

Ramos Orders More Troops to Spratlys

BK1502072095 Hong Kong AFP in English 0711 GMT 15 Feb 95

[FBIS Transcribed Text] Manila, Feb 15 (AFP)—President Fidel Ramos on Wednesday ordered more Philippine troops to the disputed Spratlys archipelago, raising the stakes in a month-old war of words with China over its occupation of a reef claimed by Manila.

At the same time Ramos said he will not abandon hopes for a peaceful settlement, and proposed a novel approach to resolve the territorial dispute over the South China Sea chain involving Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam.

"I have ordered the Department of Defense to strengthen, with our limited capabilities, our detachments and our naval presence in the Kalayaan island group and to intensify its aerial surveillance over Panganiban reef," Ramos said in a statement.

The Philippine military is regarded as the weakest among the claimants to the reputedly oil-rich, strategically-located chain, and Ramos gave no details of the announced deployments.

The order appeared to mark a change of heart by Philippine officials, who earlier said a military option was not being considered.

Philippine troops now occupy eight Spratly islands claimed by Manila, which it collectively calls the Kalayaan islands.

Ramos proposed to other claimants that every disputed island be placed "under the stewardship of the country closest to it," provided that the steward allow anchorage and other "peaceful pursuits" of the other claimants in the area.

Manila last month accused Beijing of base-building on the spit, also known as Mischief Reef, and of detaining Filipino fishermen seeking shelter in the area. Beijing has rejected the accusations.

"Our government can come to no other conclusion but that the Chinese have established a new outpost and a possible naval support installation well within and in the middle of our exclusive economic zone," Ramos said.

"The incursion on the Panganiban reef is not just a bilateral problem between the Chinese and Philippine governments. It is the multilateral concern not merely of the six claimants but of all the countries interested in the long-term stability of the South China Sea and the East Asian region as a whole."

Foreign Secretary Roberto Romulo said Ramos deems Chinese naval activities as a "forceful demonstration of China's claim to the entire South China Sea."

Ramos said Manila was "lodging a strong diplomatic protest" with the Chinese government, and has briefed its neighbors and fellow Association of Southeast Asian Nations (ASEAN) members—Brunei, Indonesia, Malaysia, Singapore and Thailand—on the situation.

The government is also "in touch with the government of Vietnam," he added.

Washington has said its mutual defense treaty with Manila only covered the "metropolitan areas" of the Philippine islands, and is pushing for a peaceful settlement of the Spratlys conflict.

Manila lacks a blue-water navy and air defense has been a headache since US forces pulled out from two major military bases in the Philippines in 1992. Ramos has been trying to push a modest military modernization plan through congress for three years.

Demilitarization of Spratly Islands Endorsed

BK1502061195 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 15 Feb 95

[FBIS Translated Text] The National Security Council today endorsed the recommendation to demilitarize the territory in the controversial Spratly Islands in reply to a proposal raised by Ramos during the National Security Council meeting at Malacanang [Presidential Office]. During the closed-door meeting, the council also decided to grant claimant countries the right to protect fishermen who enter the territory. The president emphasized the need to start taking steps so that countries can help maintain peace and security in the Asia-Pacific region.

[Hong Kong AFP in English at 0458 GMT on 15 February in a Manila-datelined report adds: "President Fidel Ramos on Wednesday ordered the Philippine military to beef up its defenses in the disputed Spratlys archipelago amid a brewing rift with China over Beijing's alleged occupation of a reef claimed by Manila. Ramos said during a National Security Council meeting that Philippine troops should 'strengthen our defenses and intensify our surveillance of the Panganiban Reef,' Foreign Secretary Roberto Romulo told reporters."]

[In a reopener at 0508 GMT, AFP continues: "Romulo said Ramos described the 'Chinese incursion' onto the spit, also known as Mischief Reef, as a 'forceful demonstration of China's claim to the entire South China Sea.' The Philippine leader also said this should be 'a multilateral concern not only of the six claimants but also of the countries interested in the long-term stability' of the entire region, Romulo added. He said the advisory council, composed of top military officials and cabinet members, urged the continued search for a 'peaceful resolution' of the overlapping claims of Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam of the archipelago, reputed to be sitting on vast mineral deposits. Romulo said Ramos proposed to other claimants that every disputed island be placed 'under the stewardship of the country closest to it,' provided that the steward allow anchorage and other 'peaceful pursuits' of the other claimants in the area."]

* Ramos Announces Presidential Appointments

95SE0097B Manila BALITA in Tagalog 9 Jan 95 p 3

[FBIS Translated Text] President Fidel V. Ramos has extended the service of Defense Undersecretary Ernesto Gidaya for six more months. Gidaya's services expired on 31 December 1994.

At the same time, the president also approved the appointments of 15 other individuals in various government posts, including the promotion of Ben Hur Salcedo from being an assistant secretary to Undersecretary of the Department of Energy.

Included in the new appointees are Presidential Assistant Melchizedeck Maquiso as acting commission chairman II of the Presidential Commission for the Urban Poor in a concurrent capacity, and Amante Siapno as the new administrator of the Philippine Tobacco Administration.

Maquiso replaced Diogenes Osabel as of Saturday.

The other presidential appointees are Gonzalo T. Duque, deputy executive director of the Philippine Overseas Employment Administration; Dr. Susana B. Cabahug, director IV of the Department of Education, Culture and Sports [DECS] in Region XI; Dr. Esperaza M. Orlina, director IV of DECS Region III.

Dr. Belen H. Magsino, director III of DECS; Dr. Jeremias D. Calagui, director III of DECS Region III; Domingo Villasenor, director IV of the Department of Public Works and Highways [DPWH]; Daniel L. Arquisola, DPWH assistant regional director for Region X; Alfredo G. Tangco, assistant regional director for DPWH Region I; Fortunato B. Aleman, assistant regional director for DPWH Region XI.

Elmo Banares, director IV of the Department of Agrarian Reform [DAR]; Angelito G. Castillo, DAR director III; and Ramon A. Zabala, member of the Palawan Provincial Council.

* Various Parties Form Coalition 10 Feb

95SE0097A Manila BALITA in Tagalog 11 Jan 95 pp 1, 2

[FBIS Translated Text] The Administration party Lakas [Strength] NUCD [National Union of Christian Democrats]-UMDP [United Muslim Democrats of the Philippines] and PDP-Laban [Democratic Pilipino Party—People's Power] have officially formed a coalition yesterday that will name a common candidate for the May 1995 election.

The president witnessed the signing by House Speaker Jose de Venecia for the Lakas-NUCD-UMDP and Juanito Ferrer for the PDP-Laban in a ceremony held at Malacanang.

Included in the parties' agreement is the strengthening of political stability and national unity, creation of an environment that could lead to economic progress, maintenance of cooperation and unity in the administration's national and local levels, establishment of a mechanism for the protection and conservation of the environment and the creation of programs that would give each Filipino the opportunity to be successful in their respective endeavors.

Meanwhile, Aminah Rasul Bernado, director of the Development Bank of the Philippines and one of the Lakas-Laban ng Demokratikong Pilipino [Strength-Struggle of the Filipino Democrat] coalition choices may be dropped from the list of candidates.

In an interview with Senator Aquilino Pimentel, guest candidate for the said senatorial slate coalition, he said that former Congressman Ramon Magsaysay Jr has a better chance than Rasul or Congressman Renato Yap for the sixth position in the coalition. Pimentel explained that Magsaysay is a former congressman and son of a former Philippines president and that he is more popular and has a stronger following.

Pimentel, however, expressed disappointment if Rasul is dropped from the list of the candidates representing Mindanao.

"I am not in the position to assure you of who will be chosen for the sixth position. I am only a guest candidate and although I am not happy that I alone should represent Mindanao. I also can not insist that my comrades should be chosen. Like in a wedding, I am only invited and I can not demand that I bring along my neighbor", Pimentel added.

Complaints About Narcotics Command Officers

95WD0175A Manila BALITA in Tagalog 12 Jan 95 pp 1, 2

[FBIS Translated Text] Five Narcotics Command [Narcom] members, including a senior inspector, are presently in "hot water" after they allegedly tortured a 25-year old man during a drug bust operation in Quiapo, Manila two days ago.

The victim, Noel Guanizo from Gonzalo Puyat Street in Quiapo, had cuts on his lips, and his eyes were swollen shut when he filed a complaint with the Western Police District's [WPD] General Assignment Division [GAD].

Guanizo told Senior Inspector Antonio Entico, WPD-GAD chief, that he was talking to a neighbor when five men arrived.

He identified one of them as Senior Inspector James Brillante. He has not identified the other four men.

Guanizo said that Brillante hit him with a gun and pulled him into a car where the four men were waiting.

He was then brought to the Narcom office in Camp Crame, Quezon City because he was suspected of being a drug pusher.

In the office he was beaten up by the five men including Brillante, and he was forced to admit that he is a drug pusher in the Quiapo area.

"When I refused to admit what they wanted me to admit, they let me go," said Guanizo. He then went straight to a police station.

According to Entico, he has summoned the five respondents so that they too can give their side of the story.

Thailand

* WTO Representative's Mission, Strategy Noted

* Comments on Role

95SE0100A Bangkok NAEO NA in Thai 6 Jan 95 pp 13, 16

[FBIS Translated Excerpt] Mr. Danai Dulalampha, the director of the Cassava Development Institute of Thailand, said that on 22 December, the government asked him to serve as the country's representative to the World Trade Organization, or WTO. Mr. Suphachai Phanitchaphak, the deputy prime minister, was the person who approached him about this. As a reason for this, he said that certain government officials in both the Ministry of Foreign Affairs and Ministry of Commerce have encountered problems, including personal problems, and so they are not prepared to serve in this position.

"I think that there are more knowledgeable and capable people than me. But because they have various problems that prevent them from accepting this position, he asked me to accept this position on a temporary basis in order to link things. Originally, GATT agreed to have a trade organization subordinate to GATT. But on 1 January 1995, this was changed to having an organization. I am confident, because I have played a role in GATT issues for a long time."

There are now two issues: 1. If I resign my position as a regular government official, I don't want to become a government official again; 2. If I serve as the Thai representative to the WTO, I will have to work closely with government officials in the various ministries concerned. Some government officials have asked, if he later becomes a government official again, will he receive anything when he retires?

Mr. Danai said that he hasn't made any preparations yet, but he has begun reading the various agreements under the WTO. So far, he has read 22 agreements. The WTO is responsible for monitoring, supervising, and reviewing the activities carried out in accord with the agreements that have been ratified. In establishing the WTO, there are more than 20 documents that are binding agreements on the member countries.

As for being a special official assigned abroad, this is an appointed position. Once a person leaves this position, he is not reassigned. Retirement age is the same as that for regular government officials, that is, age 60. He has only 1 year and 9 months left before he reaches retirement age. Concerning this, the deputy prime minister said that that shouldn't be a problem. After he retires, government officials who are more qualified should be ready to take his place.

Whether or not the Thai delegation is successful in its activities will depend on two things: 1. How much support it receives, which depends on whether the Thai government has a clear policy and position on coordinating things between the ministries concerned, and; 2. the reports that he prepares. "Success does not depend on me but on the government officials who are doing the work. This will require 20 knowledgeable and capable people from the ministries of foreign affairs, commerce, agriculture, and science and the Bank of Thailand."

As for the position of chairman of the Agricultural Committee of the WTO, "I probably won't be appointed to that position, because that position is usually reserved for a minister. As the permanent representative, even though I won't be the chairman, I will probably play a role in preparing things for the chairman with respect to the agendas of meetings, data, and the positions of the countries attending the meetings. Because Thailand is a member of this committee, I will have to monitor the position of each meeting."

The mission of the Thai delegation is to obtain and analyze intelligence, present Thailand's position on each issue, and conduct negotiations and hold meetings so that things proceed in accord with the lines and policies stipulated by the Thai Government through the International Economic Policy Committee. He said that he does not yet know the details. Even though he will be subordinate to the Ministry of Commerce, with respect to coordinating things, he does not know what system will be used or what the WTO is responsible for.

As for international trade, he does not believe that any ministry can handle things alone. Things must be coordinated with other ministries, and there must be a clear system for coordinating things. This must not be at the policy level but at the operations level. Things must very detailed. Because if they aren't, it will be very difficult for the Thai delegation to carry out its work.

* Discusses Trade Objectives

95SE0100B Bangkok MATICHON in Thai
6 Jan 95 p 17

[FBIS Translated Excerpt] [Passage omitted] Mr. Danai Dulalampha, the director of the Cassava Development Association of Thailand, said that he would be pleased to accept the position of head of the Thai delegation to the World Trade Organization (WTO). He will serve as a special government official assigned abroad who is subordinate to the Ministry of Commerce. He will be appointed by the cabinet and, in accord with a cabinet ruling, will not have to serve as a regular government official again on his return. This delegation can be said to be a forward unit of the ministries involved in things having to do with the WTO. It will be responsible for obtaining and analyzing data, studying the GATT laws, evaluating the advantages and disadvantages of the positions of various countries, making recommendations to the Thai government, monitoring things to see if various countries fulfill the commitments made to GATT, and making preparations to open free trade. Things must be completed by 30 June. He will have to play a role in the 22 organizations that have been formed to monitor activities in accord with the GATT agreement signed by the member countries. Priorities will be set based on whether Thailand stands to benefit from a particular organization. Take trade in agricultural goods and services, for example. What we want is to have a good work system. There must be good coordination. The under secretaries in the ministries concerned must meet frequently and coordinate things so that the International Economic Policy Committee can make choices. Clear policies must be formulated so that the Thai delegation can act in accord with those policies.

Mr. Danai said that assigning Thai representatives to the WTO will enable Thailand to closely monitor the implementation of the GATT agreement. Unless people are sent abroad, by the time that we learn that a trade competitor is not adhering to the agreement, that is, only after shipping goods and failing to benefit in accord with the agreement, it will be too late to benefit. Overall, he believes that Thailand will benefit greatly from the GATT talks. This is particularly true for industrial goods, which will benefit more than agricultural goods. This is because of the reduction in tariffs. Agricultural goods will benefit only slightly, because even though important markets such as rice and cassava markets will be opened, there will still be much protectionism. This first year, Thailand's cassava quotas will remain the same. But we stand to benefit in the long term, because the next round of GATT talks will be conducted based on the year 2000. By that time, tariffs will have been reduced more than 30 percent. On 31 January, the GATT General Council will hold its first meeting. Members of various subcommittees will attend. This is very sudden. The Thai delegation will have to find out what the agenda is and prepare various data.

"I will give myself 6 months to see if I am up to this job. If I can't do the job, I will resign. I accepted this position because I think that I can do a good job. Moreover, I am already receiving a pension and will continue receiving my pension. Because officials wanted me to take this position, I had to do so. But during those 6 months, how much is achieved depends on my capabilities and on the health and capabilities of the other officials working with me," said Mr. Danai. He added that the delegation should have a good system for coordinating things. Those who participate in this must be knowledgeable and capable people. The team should consist of about 20 people from the various units concerned. At present, he doesn't know from which units they will come.

"In accepting this position, I had to resign as chairman of the board of the M Thai Group Company and chairman of the board of the Siam Bangna Land Company Ltd, which I am very sorry about because I won't be able to administer the golf course. I have also had to resign my position as director of the Cassava Development Association of Thailand, a position that I have held for 16 months. But I have done a lot already. Other than this, I won't be losing anything, except the free time that I had to play golf and work with companies," said Mr. Danai.

A news source from the Ministry of Commerce said that it appears that Mr. Chare Chutharattanakun, the under secretary of commerce, will appoint Mr. Karun Kitti Sathaphon, the deputy under secretary of commerce, as head of the team responsible for helping Mr. Danai. But there might be a problem, because all of the data collected will be compiled at the Department of Business Economics, the director of which is Mr. Kroekkrai Chiraphaet. Thus, Mr. Karun is not very happy about this, because he may have problems with Mr. Kroekkrai. The members of this team, which will be composed of about two Grade 9 officials and 12-13 Grade 7-8 officials, will come mainly from the Department of Business Economics. If the team leader is not Mr. Kroekkrai, problems might arise," said the news source.

* Views Services, Commodities

95SE0100C Bangkok THAN SETTHAKIT in Thai 11-13 Jan 95 p 10

[Exclusive interview with Danai Dulalampha, place and date not given]

[FBIS Translated Excerpt] [Passage omitted] [THAN SETTHAKIT] In addition to reducing tariffs, what other adjustments does Thailand need to make in order to reap the greatest benefits possible from the WTO?

[Danai] At present, not many trade regulations have been formulated. What needs to be done is to make the existing regulations clearer and more fair. Usually, these regulations are enforced when a violation has occurred. We have not violated any of the regulations. These regulations have been formulated in order to ensure that members act in accord with the agreements. As long as everyone acts in accord with the agreements, there won't be any problem. But we certainly have to study these regulations, particularly as they pertain to various government units.

These regulations will enable us to demand fairness in trade from other countries that we do not feel are acting properly or that are not acting in accord with the GATT. We will be able to make such demands more quickly. We will have to study things to see what laws and regulations need to be implemented in order to prevent others from engaging in unfair trade practices with us. At the same time, we have to study these regulations to ensure that we do not violate them. As long as other countries treat us fairly and as long as we do not violate any of the regulations, these won't have an adverse effect. It's like the law that prohibits you from killing another person. As long as you don't kill someone, the law won't apply to you. In my view, the important thing is to monitor the various commitments that countries have made in GATT. We have committed ourselves to free trade, or to reducing tariffs and allowing the import of certain types of agricultural goods. We have given up those benefits. But we will gain, too. Other countries have to give something to us in return. We have to make sure that all of the countries actually give us what they have promised to give us. If you agree to something, you have to act accordingly.

Thailand has already issued an announcement concerning 23 types of goods. We have lowered the import duties on these goods. My job is to see if other countries are acting in accord with the commitments that they made. Because if we do this but they don't, we will suffer adverse consequences. If they aren't, we will have to conduct negotiations in order to get them to act in accord with their commitments. This is true for industrial goods as well as agricultural goods. Because in the final analysis, this has to do with whether each country is fulfilling its commitments. As for services, no definite commitments have been made. At present, countries are making proposals, but talks haven't been held. This is an urgent matter, because the negotiations on commitments must be completed in 6 months. This must be completed in 2 months, because the WTO began taking action 4 months ago.

Actually, if the WTO takes action in January 1995, things must be completed by 30 June 1995. With respect to services, it must be determined what the conditions will be in allowing freedom of action with regard to various activities. Each country must stipulate what freedoms it will grant and to which activities these will apply. Talks must be held to determine if the conditions that we set are in line with those set by other countries so that we aren't shortchanged. This is the responsibility mainly of the Ministry of Finance and the Bank of Thailand (BoT).

What is certain is that if we have many commitments, various ministries and Thai delegations will have to become familiar with the positions of the various countries and with the various rules and regulations. They will have to obtain intelligence and make recommendations about what positions to take in the negotiations. As for what our negotiating position will be, that will depend on the International Economic Police Committee, the Ministry of Finance, and the Bank of Thailand. As for our (the Thai delegation's) general duties, our job will be to obtain data and intelligence and recommend negotiating positions at various meetings. Don't forget that world trade regulations have established 22 organizations. Each organization must meet at least once every 2 years. And there are general councils and various-sector trade councils. And each of these councils has various committees in accord with the agreements.

[THAN SETTHAKIT] Would you tell us about the administrative form of the Office of the Thai Delegation?

[Danai] I have to talk about the personnel. We will probably be assigned to an embassy. Usually there are only 13-14 people, and most of these are diplomatic officials from the capital. But actually, the Thai delegation will have special characteristics. When I was in Europe, the Thai delegation to the European Community, which I headed, consisted of 11 officials from the Ministry of Foreign Affairs. It was felt that our delegation consisted of only 11 people. But that was not quite accurate. Because our delegation also had three officials from the Commercial Advisory Office, three from the Customs Department, and two from the Ministry of Science and Technology. Altogether, the Thai delegation to the EC had almost 20 officials. But everyone was viewed as coming from the Ministry of Foreign Affairs.

What is special about the Thai delegation assigned to the WTO is that there won't be anybody from a ministry office. Officials will hold positions in the delegation, but no distinction will be made regarding whose delegation this is. There won't be a commercial office, customs office, or finance ministry office subordinate to someone's delegation. We will simply be members of the delegation. Thus, there is nothing strange about talking about 20 positions. At the embassies, the number of people from the various ministry offices usually comes to about 20. This is different from the Thai delegation to the EC. That is, instead of having various ministry offices subordinate to the Thai delegation to the EC, the people will all be assigned to the delegation. There won't be any individual offices.

[THAN SETTHAKIT] There have been rumors that you will fight to become the next under secretary of commerce.

[Danai] Deputy Prime Minister Suphachai (Dr. Suphachai Phanitchaphak) invited me to lunch on 22-23 December 1994 and asked me to take this position [permanent representative]. I told him that (1) I had only 1 year and 9 months left before I reached retirement age, which is a very short time, and that (2) for the sake of continuity, it should be a regular government official. As for my conditions, I said that if I accepted this position, I did not want to be a regular government official. He said that was fine and that I could be a special official assigned abroad, which is a different category of official, that is, one who is assigned abroad and only to the position appointed. Once I leave this position, I will leave government service.

I said that if an experienced and knowledgeable official could not be found to go at this time, I would be glad to accept the position. That was how we left things. Later on, I learned that the matter had been submitted to the cabinet on 27 December 1994 and that the cabinet had approved my appointment as "permanent representative" and "head of the Thai delegation to the World Trade Organization." My position is that of a special government official assigned abroad. I don't know where I will be assigned or to which ministry this delegation will be subordinate. The deputy prime minister, minister of foreign affairs (Police Lieutenant Colonel Dr. Thaksin Chinnawat), and the Ministry of Commerce will have to discuss this and submit the matter to the cabinet.

Burma Threatens Retaliation Over KNU 'Support'

BK1502040895 Bangkok BANGKOK POST in English 15 Feb 95 p 10

[FBIS Transcribed Text] Burma yesterday accused Thailand of obstructing its military operations against the Karen National Union's [KNU] Kawmoora camp and threatened to retaliate by closing the border and suspending construction of the Thai-Burmese Friendship Bridge.

The accusation was made in a letter signed by Lt-Col Than Soe of the Local Burmese-Thai Border Committee and submitted to the Thai committee yesterday.

The letter said Thai authorities had obstructed Burmese operations aimed at seizing Kawmoora camp opposite Mae Sot District by sending food supplies to KNU soldiers defending the camp and providing medical treatment for wounded rebels.

This "support" had enabled the KNU to repulse the Burmese attacks, it said.

The letter also claimed the Thai deployment of forces and weapons along the border opposite the combat zone and Thai shelling of Burmese troops had made the military offensive more difficult.

It said Thailand's actions are obstructions to good relations between the two countries. Therefore, Burma would retaliate by closing the border to completely ban cross-border trade and also suspend construction of the Mae Sot-Myawaddy bridge, the letter said.

Col Direk Yaem-ngamriap, chairman of the Thai side of the border committee, said Thailand has a clear policy to maintain good relations with Burma and has never interfered in the ongoing suppression against the KNU.

Thailand has never supported the KNU in its struggle against the Burmese government, he said.

The deployment of forces and weapons along the border is only to protect the life and property of Thai citizens and to prevent the possible intrusion onto Thai soil by either of the warring sides, Col Direk said.

"Thailand has never reinforced its military force along the border because we are not involved in the conflict in Burma," he said.

The Thai side on Monday sent a protest note to Burma after an armed force of the Democratic Kayin (Karen) Buddhist Organisation [DKBO] crossed the border into Thailand and abducted Pado Mah, a former Pa-an governor and senior KNU official, from a refugee camp in Tak's Tha Song Yang District.

Col Direk said Pado Mah was a refugee in the care of Thai authorities and international organisations for humanitarian reasons.

"The DKBO's action was a violation of Thai sovereignty. Moreover, abduction is a violation of human rights," he said.

A border source said Burma was behind the abduction of Pado Mah who they want to use as a "puppet" to encourage more Buddhist Karens to defect to the Government. Pado Mah is a senior KNU official and also a Buddhist.

Kidnapping Attempt by Karen 'Defectors' Foiled

BK1502045295 Bangkok THE NATION in English 15 Feb 95 p A2

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] Sop Moei, Mae Hong Son—For the second time in less than a week, an unknown number of armed Karen Buddhist defectors illegally crossed the Moe River on Monday night into a refugee camp in Thailand's Tha Song Yang District of Tak in an attempt to kidnap Karen guerrilla leaders.

The group fled after security guards at Ban Bae Kraw, who stepped up their efforts after last Thursday's kidnapping of four of rebel leaders, detected the infiltrators who fled.

Leaders of the Karen National Union (KNU) told THE NATION yesterday that between 700 and 800 Karen families at Ban Bae Kraw, about 60 km north of Mae Sot district, are now living "in great fear of violent harassment" by the breakaway KNU Buddhist group.

The Democratic Kayin Buddhist Army (DKBA) last Thursday dispatched eight armed men to kidnap Padoh Mahn Yin Sein, a KNU administrative governor of Pa-an district who had been taking refuge in Thailand for several years. The group also kidnapped three other KNU hostages—Sim Bo, the governor's nephew, Sia Jed, a KNU judge, and Maung Aye, second vice governor of Pa-an and son-in-law of Mahn Yin Sein.

Maung Aye was forced to drive the governor's Mazda pick-up and managed to escape with minor injuries after driving into a tree on the Mae Sot-Tha Song Yang highway. His father-in-law and the two other hostages were taken across the Moei River into the Burmese army camp at Moe Pa Zu, opposite Tak Province's Mae Ramat district.

KNU leaders yesterday quoted Maung Aye as saying that the group had returned on Monday night to look for him. The armed DKBA members were also looking for other KNU leaders, including Pa Loh Tee, the Ban Bae Kraw camp administrator.

The group left without serious incident but the refugees discovered a note saying they had planted six mines at the camp school and another six at the market place.

KNU leaders said they learned that Mahn Yin Sein and Sim Bo, who were moved from Moe Pa Zu to another Bummese camp at Ye Kay, have already been taken to the DKBA's headquarters at Myaingnyingu Temple in Burma.

However, hostage Sia Jed, about 60-years old, was reportedly killed by the group on Friday in the Burmese Army base at Ye Kyaw.

KNU leaders said they believe the DKBA would try to coerce Mahn Yin Sein, 55, into accepting the leadership of the new group. Mahn Yin Sein is the most senior Buddhist KNU leader and widely respected by both KNU Buddhist members and local villagers.

The DKBA and the Democratic Kayin Buddhist Organization, the political wing which was established in December by Buddhist monk U Thuzana, have tried to recruit KNU Buddhist members, militia and villagers, accusing the Christian-led KNU leadership of discrimination against Buddhist members in terms of promotion and religious activities.

A KNU leader said yesterday that the situation at Ban Bae Kraw "is now very unsafe", and that all KNU leaders and other persons possibly targeted for kidnapping or harassment" cannot stay on as "the area is easily accessible by both the Burmese army and DKBA forces."

In Sop Moei District of Mae Hong Son, about 6,000 Karen refugees are hastily moving deeper into Thailand after harassment by Burmese troops who have been illegally crossing the Moei River to enter the refugee sites in this northern Thai province.

The move began on Feb 7, the day after Prime Minister Chuan Likphai visited the Mae Taw La refugee camp, and will continue in the next few days.

The refugees said last week they were harassed by armed Burmese soldiers who regularly crossed the Moei River to threaten them and shoot their poultry and pets.

Ministry Considers Lower Interest on Burma Loan

BK1502085395 Bangkok NAEO NA in Thai 15 Feb 95 pp 13, 16

[FBIS Translated Excerpt] [Passage omitted] According to a Finance Ministry source, the Finance Ministry is considering reducing the interest rate on a 300 million baht loan requested by Burma for the Tachilek-Keng Tung highway project. The loan request is regarded as government-to-government assistance. The finance minister will make a decision on the interest rate. If approved, the loan request will be included in the 1996 national budget currently under preparation.

The loan's original loan interest rate was set at 3 percent, but could be cut to 1.5 percent or less. This will reduce the interest earned from 9 million baht to 4.5 million baht.

The source also noted that as a loan condition, Burma will be asked to use a Thai firm for the construction.

A formal contract has not been signed on the loan. Burma is expected to be the biggest borrower among developing countries in the region because other countries do not appear eager to make loans to Burma due to its human rights record.

"A loan to Burma carries a high risk. The value of the Thai loan is not that big, however, and therefore the risk should be minimal. As a financially capable country, Thailand should assist by making such loans when possible."

Recently the Finance Ministry approved a loan of $150 million for Vietnam to buy rock crushing equipment. The loan's interest rate was 3 percent.

Bartering Farm Goods for Submarines Suggested

BK1502041095 Bangkok BANGKOK POST in English 15 Feb 95 p 1

[FBIS Transcribed Text] The Government has been advised to arrange the trade of agricultural products in exchange for two submarines for the Navy should it decide to approve the acquisition plan, Deputy Prime Minister Suphachai Phanitchaphak said yesterday.

Mr. Suphachai, who chairs the Economic Policy Committee, said he had been asked for his opinion on the planned purchase and had recommended a barter deal with the supplier.

He said he did not know where the submarines would come from as the Navy has not provided details and was just seeking opinions at this stage. Its official request to buy the submarines has yet to be submitted to the Cabinet.

He said the Navy wanted to buy the submarines through the special procurement method.

In the past, the use of barter when buying weapons from the United States had been ruled out because they were bought through the U.S. Foreign Military Sales (FMS) method which carries a long repayment period.

But Mr. Suphachai said the huge cost of the submarines at 17,000 million baht meant any deal would have to include barter for Thai agricultural goods.

He said a lot of countries, including Australia, wanted to sell submarines to Thailand but the Navy might already have one country in mind.

The Government will have to consider the matter in detail, including the Navy's ability to look after the submarines, the weapons system and maintenance facilities as well as the price.

The Prime Minister has raised the possibility of a conflict of funding interest between the purchase of the submarines and developing the nation's education system, but Mr. Suphachai said there should be no problem provided the purchase came within the Budget Bill ceiling.

"The Government's policy places more emphasis on education and the Premier wants to reserve funds for this undertaking. I agree with that. The defence budget is limited and any spending will have to stay within this amount," he said.

Mr. Suphachai said the Armed Forces would have to work within the budgetary limitations and work out their priorities.

The Air Force in the past has been given priority but there has been a shift toward the Navy so it can buy ships and helicopters. The Navy is now looking at the need to defend the country's underwater resources and the protection of shipping routes. It will have to work out its priorities and submit them to the Government along with a request to buy submarines, he said.

Mr. Suphachai said the Government in the past had provided for the procurement of Navy weaponry based on the priorities laid down by the Armed Forces.

"We haven't made a decision on the submarine request yet because we have to consult each other in the Cabinet. We will also have to see what the 1996 fiscal budget is like in light of the request and listen to the opinions of those in the Cabinet."

A senior navy officer said yesterday he was confident the Navy could reach an agreement with the Budget Bureal next week on the proposed seven-year expenditure period to procure the two submarines.

"A lot of progress had been made as senior officials from the Navy and the Budget Bureau have worked together to settle any problems," he said

"We are hopeful it can be finalised next week and will be retabled for cabinet consideration the following week." Budget Bureau director Bodi Chunnanon returned the proposed expenditure plan to the Navy for further consideration after the bureau decided the proposal might cause financial difficulties for the Navy.

"We have studied the matter carefully, especially the Navy's annual expenditure for development projects," the naval officer said. "The proposed annual expenditure for arms procurements is in line with the Budget Bureau's guidelines."

The officer said the Navy had asked for a seven-year payment period for the submarine purchase and would seek a two-year grace period, meaning the first payment would be made in the third year.

"If the Cabinet gives its approval to the Navy plan, then the first payment might be made in 1998."

He said it would take the Navy at least 10 years to prepare to accept the submarines which he said would be in time to cope with the changing situation in the region.

The officer said the Navy was closely monitoring the situation involving the Spratly Islands where the Philippines, which lays partial claim to the archipelago, has criticised China for increasing its military presence on the islands.

Vietnam

U.S. Delivers Documents on War Casualties

BK1402121595 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 14 Feb 95

[FBIS Translated Text] The Vietnam War Veterans of America handed to the Vietnamese side a number of documents considered to be relating to Vietnamese soldiers killed or missing during the war. The handover took place at the Ministry of National Defense's Guest House on the afternoon of 13 February. This is the third time that the United States has handed over such documents.

Delegated by the SRV Ministry of National Defense, Comrade Colonel Nguyen Manh Dau, director of the Policy Department, received these documents and thanked the U.S. war veterans association for its humanitarian gesture and goodwill.

Russian Envoy Reviews Bilateral Relations

BK1402113595 Hanoi Voice of Vietnam in English 1000 GMT 13 Feb 95

[FBIS Transcribed Text] The Russian ambassador to Vietnam, Mr. Rashid Khamidoulin, said friendship relations and cooperation between the Federation of Russia and Vietnam were developing in all fields. He was speaking in an interview with the LABOR [LAO DONG] paper of Vietnam on the occasion of the 45th anniversary of the establishment of diplomatic relations between the two countries.

The Russian ambassador said: Over the past decades, Russia always stood side by side with Vietnamese people in the past struggle and in the current national construction and development. Over the past two years, changes in Russia and Vietnam as well as in the international arena required a new form of cooperation. Thus, bilateral relations have entered a new development on the basis of fundamental national interests, equality, and mutual benefit. Russia was gratified with Vietnam's success in renovation and its goal to build a state governed by law and to increase social welfare. Russia recognizes the development and consolidation of Vietnam's position in the world and in Southeast Asia as well as its broadly-based international relations in conformity with global needs and trends. However, present relations between Vietnam and Russia in economy, trade, culture, and other fields need to be improved to meet the demands and stability of each side.

The Russian ambassador said that in recent years, Russia acted as a legal country instead of the former Soviet Union to continue assistance to Vietnam in finalizing important economic projects.

At the end of December last year, Russia handed over to Vietnam the Hoa Binh hydroelectric power plant with a designed capacity of 1,920 megawatts. This is the biggest hydropower project in Southeast Asia. Another project with a prescribed capital of $1.5 billion was the Vietso-Petro, a joint venture in oil and gas exploitation. The project laid the foundation for Vietnam's oil and gas industry. Russian companies and corporations now wish to take part in the construction and fabrication of major projects in Vietnam through international tenders. Besides the national-state relations, the rich ties between Russian and Vietnamese trading partners have broadened with the establishment of 43 joint ventures. Russia and Vietnam also have a great potential to coordinate political activities in order to consolidate stability and security in Southeast Asia and the Asia-Pacific [region].

The visit to Russia by Vietnamese Prime Minister Vo Van Kiet last June, the signing of a treaty on the principles of friendly relations between the two countries, and the ratification of the treaty by the Duma last month were of great significance in the restoration and development cooperation between the two countries. Russia always considers Vietnam a long-term and prosperous partner in Asia and the Pacific and Russia follows with keen interest the development of the present process of renovation in Vietnam.

Article Views 'Problems' in Joining ASEAN

BK1502112595 Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 12-18 Jan 95 p 42

[Article by Ngoc Quyen:"Issues That Must Be Resolved on the Path Toward Joining ASEAN"]

[FBIS Translated Text] ASEAN secretary general Dato Ajit Singh, in a recent interview with Malaysian paper THE STAR said high-ranking ASEAN officials at the Brunei conference in November have agreed in principle to accept Vietnam as the seventh ASEAN member at its annual foreign ministerial conference in July this year.

However, to become ASEAN's seventh member, Vietnam must strive to resolve a number of issues, especially those of a technical nature.

Issue related to GATT: Following the ASEAN foreign ministerial conference in Bangkok on July 1994, various official and unofficial sources have asserted their wish to admit Vietnam as an ASEAN member. However, Vietnam is aware of the need to make itself better prepared before joining this organization. Foreign Minister Nguyen Manh Cam has contended that Vietnam needs time to make full preparations in anticipation of joining ASEAN.

The ASEAN economic ministers conference in Chiang Mai, Thailand in September 1994 discussed details in Vietnam's admission. It reiterated the regulation that a country that wants to immediately join ASEAN be a member of AFTA [ASEAN Free Trade Area], and that to become an AFTA member a country must first be an official member of GATT.

All current members of ASEAN namely Thailand, Singapore, Indonesia, Malaysia, the Philippines, and Brunei are official members of GATT. These countries are required to have multifaceted economic relations with others before being allowed to join regional economic blocs. Another requirement is that as a member of regional economic blocs like AFTA, the country concerned must adopt a liberal economic policy at a level higher than what is required by GATT.

Vietnamese Trade Minister Le Van Triet told the correspondent of the THOI BAO KINH TE SAIGON that many countries applied for GATT membership 5-6 years ago, but their applications have not been approved. For Vietnam, it is still in the process of completing various dossiers for the application. As a result, the Trade Minister said the issue of Vietnam not being a GATT member will be the main topic of his talks with the ASEAN economic ministers.

Issue concerning AFTA: A problem that may become a difficulty for Vietnam in joining ASEAN is that this organization has decided to shorten the period of implementing the AFTA treaty to five years, i.e. from 2003 to 2008. "At first, we planned to join ASEAN within 15 years," said Minister Le Van Triet last September in Chiang Mai, Thailand. "But, of course, we have made new progress and our high-ranking officials are considering and reviewing this issue," he added. The minister also said that according to his assessment, Vietnam cannot immediately join AFTA and that he has asked ASEAN to form a delegation of high-level ASEAN officials and representatives from the secretariat to visit Vietnam to find ways and means to help it resolve the various technical problems so that it may join ASEAN soon as it wishes. This proposal by Vietnamese Trade Minister Le Van Triet has been welcomed by ASEAN. A joint working group comprising ASEAN and Vietnamese officials has been established to work out a detailed guide which, through its implementation, will help Vietnam become a member sooner.

However, the working group has not established a concrete schedule for Vietnam's admission. Although ASEAN foreign ministers in July 1994 announced that Vietnam will soon join ASEAN, its economic ministers were more reserved. Minister Le Van Triet said: "Vietnam's participation in international cooperation is still limited. We still have a considerable shortage of specialists and cadres capable of participating in these activities."

Issue regarding the revision of ASEAN regulations: Perhaps the best solution for Vietnam to become the seventh ASEAN member is the initiative expressed by Philippine Undersecretary of Trade and Industry Cesar Bautista. According to him, ASEAN should revise its regulations so that Vietnam may become a member without being an official member of AFTA. At the ASEAN economic ministers conference, this issue was not officially discussed. However, it was understood that the Philippine undersecretary's proposal was approved. Moreover, the high-level ASEAN conference in Brunei last November announced that it will approve Vietnam's application for joining ASEAN in July 1995.

As a result, ASEAN regulations have been obviously changed to suit Vietnam, its seventh member.

Vo Van Kiet Attends Accountant, Auditor Forum

BK1502005995 Hanoi THOI BAO TAI CHINH in Vietnamese 19 Jan 95 p 1

[Article by Tran Thanh and Duc Khang]

[FBIS Translated Text] The Ministry of Finance recently held a professional conference on business accounting systems with the attendance of leaders and a large number of cadres of the accounting-auditing sector. The conference aimed to study the principles and regulations of the new accounting system for business establishments.

The conference had the honor to welcome Prime Minister Vo Van Kiet who came and delivered a speech. In the renovation undertaking and the economic development, the finance sector in general and the people who perform accounting tasks have made significant contributions. The prime minister reviewed socioeconomic achievements in 1994 and also outlined the shortcomings and obstacles that remain in the way of the renovation process, including the continued existence of wasteful spending that caused great losses to state and people's properties and inefficient use of these properties due to lack of inspection and control. To be able to manage public properties more effective and to reduce losses and other negative activities, the government demands that the accounting system be renovated and the reforms be put into operation urgently. The accounting system should be built in a way that reflects precision, objectivity, flexibility, simplicity, and low operating costs. The system should effectively serve the accounting task in particular and economic management in general. The accounting task should not be seen in an independent measure but should be attached to financial structure reforms. The new accounting system cannot be implemented if the current finance structure still exists. We should speed up our effort to bring our accounting system up to the international practices and standards of the world accounting system. The system should also be suitable to Vietnam's conditions, especially at the present time when we are going to join ASEAN soon.

The prime minister praised the Ministry of Finance for its timely sensitivity to the urgency of accounting system reform that led to the organization of this conference. The party and state are very interested in these reforms, and the prime minister himself has spent many days working with the Ministry of Finance and other relevant ministries to work out guiding principles and to review progress of the reform process.

Spring is a season of hope. Let us hope that spring this year will be the starting point for the whole accounting-auditing sector nationwide in implementating the new accounting system and fulfilling the directives and wishes of the prime minister.

Australia

Advance Party Leaves for Rwanda Troop Deployment

BK1102141695 Melbourne Radio Australia in English 1100 GMT 11 Feb 95

[FBIS Transcribed Text] The surgeon general of the Australian Defense Force says a second contingent of Australian troops to be sent to the African Republic of Rwanda will have a high reputation to live up to. The troops will start arriving in the Rwandan capital, Kigali, over the next few weeks.

Major General David (Rossi) farewell the second contingent advance party consisting of 20 high-ranking defense staff which left Australia today. Maj. Gen. (Rossi) says he expects the 300 strong contingent to continue the example being set by the current Australian deployment.

[Begin (Rossi) recording] We've done very well to date and I am sure that this group will do equally well. They have a different job to do. They don't have to set up a hospital like the first group so they will arrive there to a growing concern, but their mission is still the same to provide health services to the United Nations forces and they will do that I'm sure equally as well as the first contingent. [end recording]

ROK Emerges as 2d Biggest Export Market

BK1202124095 Melbourne Radio Australia in English 0500 GMT 12 Feb 95

[FBIS Transcribed Text] South Korea has overtaken the United States as Australia's second biggest export market after Japan. Preliminary Bureau of Statistics figure shows exports to South Korea increased by 8.6 percent last year while exports to the United States fell 8.8 percent. Trade Minister Bob McMullan says Korea and Asia in general are drawing Australian exports away from the United States with advantages through lower shipping cost and higher commodity prices.

Fiji

Hong Kong Immigration 'Scheme' To Proceed

BK1502064795 Melbourne Radio Australia in English 0500 GMT 15 Feb 95

[FBIS Transcribed Text] The Fiji Government is to proceed with the controversial scheme to raise millions of dollars by allowing thousands of Hong Kong residents to immigrate. A cabinet meeting has rejected moves by the scheme's promoter, Asia Oceania Development Limited, to get the government to reduce fees of about $130,000 [currency not specified] for each immigrant. Information Minister Ratu Josefa Dimuri said the government's decision not to reduce the amount showed its determination not to sell the country cheaply, contrary to what the community believed.

Under the government's proposal, as many as 28,000 Hong Kong Chinese nationals are expected in Fiji over the next three years. Each family is expected to pay $30,000 for a nonrefundable application together with a separate $100,000 which will go into a special investment fund.

Senior Minister 'Tipped' To Succeed Premier

LD1302124795 Wellington Radio New Zealand International in English 0900 GMT 13 Feb 95

[FBIS Translated Text] Fiji's parliament met briefly this morning and adjourned until Wednesday without an expected motion of no-confidence being filed. The opposition Fijian Association Party, led by Josevata Kamikamica, said last week it would file the motion of no-confidence today. The motion was to be in protest against the Cabinet's decisions to allow in 28,000 Chinese business migrants from Hong Kong, to lift the Sunday observance decree, introduce [word indistinct] and the prime minister's proposal to call all citizens Fijians regardless of race. However, the motion of no-confidence is not likely to succeed because opposition leader Jai Ram Reddy says he does not want to get involved in the power struggle within the indigenous Fijian community.

Meanwhile, a government caucus meeting this morning at which Prime Minister Rabuka's leadership was expected to be challenged was put off until tomorrow afternoon. This morning's DAILY POST newspaper reported that various sources in the government and the opposition have confirmed that former Information Minister Ratu Inoke Kabuabola has been lobbying for the ousting of Prime Minister Sitiveni Rabuka. Authoritative sources in Suva say a very senior Cabinet minister is being tipped to succeed Mr. Rabuka if he is ousted.

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